

The CGCSo Quarterly NEWSLETTER

Issue 3, 2026

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MESSAGE FROM OUR GENERAL MANAGER



Dear Valued Clients and Readers,

Welcome to the **CGCSO Q3 Newsletter**.

As we conclude the third quarter of the year, we are pleased to share another edition of our newsletter, reflecting on the milestones achieved, the partnerships strengthened, and the progress made in delivering practical corporate solutions to our clients. This quarter has been marked by growth, innovation, and an unwavering commitment to excellence across our service offerings.

At CGCSO, we remain dedicated to helping businesses navigate the evolving corporate, compliance, governance, and immigration landscape. Through this newsletter, we provide insights into our recent activities, highlight key service developments, and share thought leadership on matters that impact the businesses and organisations we serve.

We believe that strong relationships are built on trust, transparency, and consistent engagement. This newsletter is one of the ways we stay connected with you, keeping you informed of industry developments while showcasing how we continue to create value for our clients and stakeholders.

As we look ahead to the final quarter of the year, we remain focused on delivering quality service, fostering meaningful partnerships, and supporting our clients in achieving their goals.

Thank you for your continued trust and support. We are grateful to be part of your journey and look forward to continuing to serve you.

**Kind regards,
Kondwani Lungu
General Manager, CGCSO**

Mission

To be a global market leader in the provision of professional corporate solutions and services in a client-centric manner with integrity and passion.

Vision

"A world-class organization that prides itself in being a one-stop-shop provider of unmatched professional corporate solutions".

Our Core Values

- Passion
- Professionalism
- Integrity
- Client Centricity
- Teamwork





Corporate Solutions at Your Fingertips

We are open for business at Kenneth Kaunda International Airport (KKIA), terminal 2 - Departures.

Our airport office makes corporate and immigration solutions more accessible than ever. Whether you are establishing a company in Zambia, managing registrations, licensing, and permits, or seeking expert immigration consultancy, our team is ready to assist you on the go.

Stop by before or after your flight and let us help you travel with confidence.

Visit us today at **KKIA Terminal 2, Departures**, or call:

+260 211 296 011 / 12 / 13 | +260 960 628 385 | +260 770 628 385 to book your consultation.

WEBINAR

ESTABLISHMENT OF A COMPANY IN ZAMBIA:
LOCAL INCORPORATIONS AND FOREIGN
REGISTRATIONS



BRIDGET ZULU
Legal Assistant - Presenter



EMMY MWEEMBA
Legal Clerk - Moderator



BEATRICE TSHUMA
Legal Assistant - Presenter

Q3 Webinar Recap: Establishment of a Company in Zambia: Local Incorporations and Foreign Registrations

During the quarter, CGCSo hosted a webinar titled **"Establishment of a Company in Zambia: Local Incorporations and Foreign Registrations"**, which provided participants with practical insights into the legal, regulatory, and governance requirements associated with setting up a business in Zambia.

The session highlighted key considerations for both local incorporations and foreign company registrations, equipping entrepreneurs, investors, company directors, legal practitioners, company secretaries, and compliance professionals with a clearer understanding of the company registration landscape.

Key areas covered included:

The legal requirements for establishing local and foreign companies in Zambia;

Available corporate structures and their distinguishing characteristics;

Governance considerations for newly established companies;

The registration process and regulatory requirements under PACRA; and Practical compliance considerations for businesses operating in Zambia.

The webinar was facilitated by **Bridget Zulu**, Legal Assistant, and **Beatrice Tshuma**, Legal Assistant, with **Emmy Mweemba**, Legal Clerk, serving as moderator.

Through this session, CGCSo reaffirmed its commitment to sharing practical knowledge and supporting businesses in navigating Zambia's corporate, governance, and regulatory environment with confidence.



CGCSo Participates in the ABSA Marathon 2026

On 26 September, CGCSo proudly participated in the ABSA Marathon, joining thousands of participants in celebrating the values of wellness, resilience, and teamwork.

The event provided an excellent opportunity for our team to promote healthy living while reinforcing the importance of physical and mental wellbeing in the workplace. At CGCSo, we recognise that a healthy and motivated workforce is fundamental to sustained performance, productivity, and success.

We commend Team CGCSo for representing the organisation with enthusiasm, determination, and exceptional team spirit. Their participation reflected our ongoing commitment to fostering a culture where wellness, collaboration, and excellence go hand in hand.





Corpus Game Night: Strengthening Teams Through Fun and Collaboration

On 21 August 2026, colleagues from across the Corpus Group came together for Corpus Game Night, an engaging team-building event designed to foster collaboration, strengthen relationships, and celebrate the power of teamwork.

The evening was filled with energy, laughter, and friendly competition as participants tested their knowledge across a variety of categories, including General Knowledge, Pop Culture, Sports, Music Across the Decades, and Social Media. The event provided an opportunity for colleagues to connect outside the workplace while showcasing creativity, teamwork, and healthy competition.

At Corpus Globe Corporate Solutions (CGCSO), we recognise that strong teams are the foundation of strong organisations. Activities such as Game Night not only enhance employee engagement and morale but also reinforce the collaboration, resilience, and camaraderie that contribute to our collective success. Through shared experiences like these, we continue to build a positive workplace culture that empowers our people to thrive both professionally and personally.

Public Benefit Organisations in Zambia: Structuring for Impact, Sustainability and Compliance

By Jimmy Shimoono, Legal Clerk at Corpus Globe Corporate Solutions (CGCSO)

Organisations pursuing social, educational, healthcare, charitable and community development objectives play an important role in Zambia's development. However, achieving sustainable impact requires an appropriate legal structure, effective governance framework and ongoing compliance.

A properly structured Public Benefit Organisation can enhance organisational credibility, support access to available incentives and provide a framework for sustainable operations.

What is a Public Benefit Organisation (PBO)?

A Public Benefit Organisation (PBO) is an organisation established to undertake activities that benefit the public or a section of the public, rather than generate profits for private individuals.

Under the Income Tax Act, Chapter 323 of the Laws of Zambia, entities that may qualify for approval as PBOs include companies limited by guarantee, trusts, associations, educational institutions, health institutions, sporting associations and other organisations established under Zambian law, provided they meet the prescribed public benefit requirements.

Why PBOs Matter:

PBOs are essential partners in national development. They support communities, advance education and healthcare, promote social welfare, and contribute to addressing some of society's most pressing challenges.

Why Register a PBOs

In recognising the value of their contribution, the government provides certain tax incentives to eligible PBOs. These incentives are designed to strengthen the financial capacity of such organisations by reducing their tax burden, enabling them to dedicate more resources towards achieving their public benefit objectives and expanding their impact within the communities they serve.

Who Needs to Register?

Any non-profit organisation that carries out public benefit activities and wishes to be recognised as a PBO for tax purposes must first be legally established under the applicable enabling legislation and thereafter obtain approval as a PBO under the Income Tax Act, Cap. 323. Approval grants access to the tax benefits and obligations associated with PBO status.

Regulatory Framework



PBO status in Zambia is primarily governed by the Income Tax Act, Cap. 323, which provides the legal framework for the approval of PBOs and the tax exemptions available to qualifying organisations. A PBO is not a separate legal form of organisation but a tax status that may be granted to an entity established under another law. Accordingly, organisations seeking PBO approval are commonly incorporated under the Companies Act No. 10 of 2017 as companies limited by guarantee, registered under the Societies Act, Cap. 119, or established under the Non-Governmental Organisations Act No. 16 of 2009, depending on their nature and objectives. In addition, qualifying organisations may benefit from customs and excise relief under the Customs and Excise Act, Cap. 322, where the relevant statutory conditions are satisfied.

Legal Benefits of Public Benefit Organisations (PBOs)

A PBO is a non-profit entity established to advance public interest rather than generate profits for private individuals. Examples include charities, foundations, faith-based organisations, community-based organisations and certain non-governmental organisations (NGOs).

Subject to approval under the Income Tax Act and ongoing compliance with applicable legal and regulatory requirements, a PBO may enjoy several benefits, including:

Tax exemptions

An approved PBO may qualify for exemption from income tax on funds applied to approved public benefit activities, such as education, healthcare, poverty alleviation, religion and community development. However, income derived from business or commercial activities may remain subject to tax.

Greater resources for public benefit

By reducing its tax liability, a PBO can allocate a greater proportion of its resources to delivering programmes and services that advance its public benefit objectives.

Tax incentives for donors

Donors who contribute to qualifying PBOs may be eligible for tax benefits, where provided for under applicable tax legislation. These incentives encourage

philanthropic giving and support the sustainability of organisations undertaking public benefit activities.

VAT and customs relief

Subject to statutory requirements and approval by the relevant authorities, approved PBOs may qualify for relief from VAT or customs duties on specified goods and materials used in carrying out their public benefit activities.

Enhanced credibility and public confidence

Official recognition as a PBO demonstrates that an organisation operates for the public benefit and meets prescribed legal and governance standards. This enhances its credibility with beneficiaries, government institutions, development partners, and the public.

Improved access to funding

Many local and international donors require organisations to be legally registered and, where applicable, approved as PBOs before they are eligible to receive grants or other forms of financial support. PBO approval can therefore enhance an organisation's ability to access funding opportunities and support the delivery of its public benefit objectives.

Application Process

Applications for Public Benefit Organisation (PBO) status are submitted through the Zambia Revenue Authority (ZRA) online portal and are assessed by the ZRA and the Ministry of Finance and National Planning to determine whether the applicant meets the statutory requirements for approval.

The process typically takes at least three months. Where the Commissioner-General is satisfied that the requirements have been met, a recommendation for approval is submitted to the Minister of Finance and National Planning. Applications that do not meet the requirements may be recommended for rejection. No application fees are payable for PBO approval.

Professional Assistance with Public Benefit Organisation Registration

Corpus Globe Corporate Solutions Limited (CGCSO) provides expert support throughout the PBO registration process, assisting organisations to navigate the requirements and ensuring seamless application experience.

Understanding Company Resolutions under the Zambian Companies Act No. 10 of 2017

By Adrian Makowa, Compliance and Governance Officer at Corpus Globe Corporate Solutions (CGCSO)

Company resolutions are a fundamental part of corporate decision-making. The Companies Act No. 10 of 2017 (the "Act") provides different requirements and procedures through which members formally approve company decisions.

It is important to distinguish between an ordinary resolution, a special resolution and a written resolution. An ordinary or special resolution describes the level of member approval required for a particular decision, while a written resolution is a statutory mechanism through which members of a private company may pass a resolution without holding a meeting.

Accordingly, a written resolution should not be viewed as a separate category of resolution alongside an ordinary or special resolution. Where permitted by the Act, the written resolution procedure may be used to pass either an ordinary or a special resolution, depending on the nature of the decision and the applicable statutory requirements.

An ordinary resolution is a resolution passed by a simple majority of the votes cast by members entitled to vote at a meeting duly convened and held. A special resolution is a resolution passed by not less than 75% of the votes of members entitled to vote at a meeting duly convened and held at which the resolution is moved as a special resolution, or such higher majority as the articles of association may require.

By contrast, section 77 of the Act permits the members of a private company to pass a resolution in writing without holding a meeting. The written resolution procedure



therefore provides an alternative means of obtaining member approval where the Act permits its use. For a written resolution to be valid, it must be signed by every member entitled to vote on the resolution, or by that member's authorized representative, and it is passed when the last member entitled to sign has signed it.

The requirement for all members entitled to vote to sign a written resolution should not, however, be confused with the 75% threshold applicable to a special resolution. The fact that a written resolution requires unanimous signing does not, by itself, make the resolution a special resolution. Its classification depends on the nature of the matter being decided and, where applicable, whether the resolution is expressly required or proposed to be passed as a special resolution.

The written resolution procedure may also be relevant where a matter has initially been considered at a meeting. If the members decide not to proceed with a vote at the meeting and instead deal with the matter through the written-resolution procedure, the requirements applicable to a written resolution must be satisfied. Conversely, where a resolution has already been validly passed at a duly constituted meeting, subsequently preparing and signing a document recording that decision does not, by itself, convert the resolution into a written resolution.

The written resolution mechanism can be particularly useful for private companies because it may make corporate decision-making faster and more efficient. Instead of convening a meeting, preparing notices and conducting a formal vote,

members may approve a proposed resolution in writing where the statutory and regulatory requirements are satisfied.

However, not every matter can be dealt with through the written-resolution procedure. For example, section 77 excludes certain matters, including the removal of an auditor or director, from being dealt with by written resolution.

Before preparing a resolution, the directors or company secretary should therefore consider:

- What decision is the company seeking to make?
- Does the Act prescribe a particular type of resolution?
- Can the matter be dealt with through the written resolution procedure?
- Do the company's articles impose additional requirements?
- What voting threshold applies?
- Are there notice or procedural requirements that must be satisfied?
- Does the resolution have to be lodged with the Registrar or accompanied by another statutory filing?

Understanding these distinctions is important because the validity and effectiveness of a corporate decision may depend not only on obtaining the required level of member approval, but also on following the correct statutory procedure. In particular, recognizing that a written resolution is a procedure for passing a resolution rather than a separate category of resolution helps ensure that companies apply section 77 correctly and distinguish the procedural requirements for written resolutions from the approval thresholds applicable to ordinary and special resolutions.

Why CGCSo?

By Kondwani Lungu, General Manager at Corpus Globe Corporate Solutions (CGCSo)

Your partner for establishing, operating and growing a business in Zambia

Entering Zambia is more than incorporating a company.

For an international business, establishing a presence means navigating corporate structures, regulatory requirements, immigration, tax registrations, governance, local compliance and the practicalities of getting the right people on the ground.

CGCSo brings these requirements together under one roof

We help businesses establish, operate, govern and maintain their presence in Zambia, providing the local knowledge and practical support needed to turn a market-entry plan into an operating business.

From incorporation to operation

We work with businesses entering Zambia at the point where the first questions arise:

Should we establish a Zambian subsidiary or register our foreign company? What structure is appropriate? What registrations and approvals are required? How do we bring our people into Zambia? Who will manage our ongoing corporate compliance?

CGCSo helps answer these questions and, importantly, helps implement the solutions.

Our support includes:

- Incorporation of Zambian companies and registration of foreign companies
- Corporate structuring and shareholding arrangements
- PACRA and ZRA registrations and compliance
- Company secretarial services
- Registered office and corporate administration
- Beneficial ownership compliance
- Share transfers and corporate restructuring
- Articles and corporate documentation
- Regulatory compliance support

But establishing the entity is only the beginning.

Getting your people into Zambia

For international businesses, establishing the company is only useful if the people who will operate it can also be in Zambia legally and efficiently.

CGCSo provides immigration advisory and permitting support, assisting businesses with work and residence permits and related immigration requirements.

Our role therefore extends beyond establishing the corporate vehicle, we help businesses establish the people and operational infrastructure behind it.

Governance from day one



A well-established business needs more than a certificate of incorporation.

CGCSo provides Board and AGM meeting services, including meeting administration, agendas, board packs, minutes, resolutions and statutory follow-through.

We also conduct board and trustee evaluations, helping organisations assess the effectiveness of their governance structures, boards and committees.

For businesses seeking to strengthen their governance, we can also support governance frameworks, policies and processes.

Keeping businesses compliant

Regulatory compliance does not end when a company is incorporated.

Businesses must continue to manage statutory filings, corporate records, ownership information, regulatory obligations and changes to their corporate structure.

CGCSo provides ongoing support so that clients can focus on their business while we help keep the corporate and regulatory foundations in order.

When the business changes, we are still there

Businesses evolve

Investors come in. Shareholders change. Directors change. Companies restructure. New operations are established. Employees and executives move across borders.

CGCSo assists clients through these changes, including share transfers and related PACRA and ZRA processes, corporate restructuring and continuing compliance.

Our relationship is therefore not limited to the day your company is incorporated.

Why CGCSo?

One local partner, across multiple requirements

Corporate establishment, governance, compliance,

immigration and corporate changes often involve different processes, institutions and advisers.

CGCSo brings many of these requirements together through one local relationship.

Advice that leads to implementation

We do not simply tell clients what needs to be done.

We help get it done, preparing and coordinating documentation, managing regulatory submissions and following through on implementation.

Local expertise with an international outlook

International businesses need a partner who understands the Zambian regulatory environment while appreciating the governance and operational standards expected by international groups.

That is the perspective we bring.

Support beyond market entry

Our value does not end once the business is established.

We can remain alongside the business as it grows, providing continuing corporate secretarial, governance, regulatory, immigration and corporate structuring support.

The CGCSo difference

We help businesses come to Zambia, get established properly, get their people in place, remain compliant and focus on what they came here to do, building their business.

For businesses already operating in Zambia, we provide the same support to strengthen corporate governance, maintain compliance and manage corporate change.

If Zambia is your next market, start with CGCSo.

Corpus Globe Corporate Solutions Limited (CGCSo)

Corporate Secretarial | Board & AGM Services | Governance | Regulatory Compliance | Corporate Structuring | Immigration | Intellectual Property

Who Qualifies to Apply for Zambian Citizenship?

By Kondwani, General Manager at Corpus Globe Corporate Solutions (CGCSO)

One of the underlying impediments for persons seeking to obtain Zambian citizenship is understanding the qualification criteria that an applicant must meet.

In particular, questions often arise as to how long one must have been resident in Zambia in order to qualify and whether that period of residence is itself qualified by a particular type of immigration permit. For example, must a person first obtain a Residence Permit and then wait for a prescribed period before they can apply for citizenship?

But what really qualifies one to apply for Zambian citizenship?

The answer is, naturally, found in the supreme law of the land, the Constitution of Zambia, together with the Citizenship of Zambia Act, 2016.

The Constitution of Zambia, under Part IV, establishes the framework for the acquisition, retention and loss of citizenship. Its provisions set out who qualifies for citizenship and the manner in which citizenship may be acquired.

There are four main ways in which Zambian citizenship may be obtained:

- by birth;
- by descent;
- by registration; and
- by adoption.

The first two are relatively straightforward.

A person born in Zambia is a citizen by birth if at least one of their parents is or was a Zambian citizen. Similarly, a person born outside Zambia is a citizen by descent if, at the time of their birth, at least one of their parents was a Zambian citizen by birth or descent.

These two scenarios are relatively easy to follow and generally present no impediment to establishing citizenship, unless, of course, something is amiss, which is a story for another day.

Similarly, a person who is adopted by a Zambian citizen or citizens becomes a citizen on the date of adoption, subject to the applicable constitutional requirements.

The gist of this article, however, is to address the other route: citizenship by registration.

How Does One Register to Become a Zambian Citizen?

What is required, and when does one qualify to apply?

Both the Constitution and the Citizenship of Zambia Act point to a period of residence in Zambia in determining qualification for registration in the relevant circumstances.

The starting point is that a person must have attained the age of 18 years and must have been ordinarily resident in Zambia for the prescribed period.

The Constitution addresses ordinary residence in



relation to persons born in Zambia to non-Zambian parents, persons born outside Zambia with a Zambian citizen ancestral connection, and persons who have been ordinarily resident in Zambia for the prescribed period.

The Citizenship of Zambia Act similarly provides for the computation of the period to be taken into account for a person who qualifies to apply for registration in accordance with the Constitution and the Act. The period to be considered is the period during which the person has been ordinarily resident in Zambia.

It is here that an important issue arises.

What Does "Ordinarily Resident" Mean?

There appears, at first glance, to be a contradiction between the definition of "ordinarily resident" in the Constitution and the definition contained in the Citizenship of Zambia Act.

The Act includes in its definition of "ordinarily resident" the period during which a person is actually residing in Zambia together with the holding of a Residence Permit.

The Constitution, however, simply prescribes ordinary residence in Zambia. It does not make reference to the holding of a Residence Permit as a requirement for establishing ordinary residence for purposes of citizenship.

This distinction is significant.

The Constitution is the supreme law of the land, and any law that is inconsistent with the Constitution is invalid to the extent of the inconsistency.

The Constitutional Court has recently considered this issue and has held that the inclusion in the Citizenship of Zambia Act of the requirement relating to the holding of a Residence Permit is unconstitutional and is void to the extent that it requires the holding of a Residence Permit.

The effect is important and, in practical terms, quite straightforward:

A person does not need to hold a Residence Permit in order for their period of residence in Zambia to count as ordinary residence for purposes of qualifying for citizenship.

The requirement to hold a Residence Permit is an inclusion in the statutory definition that is not found in the Constitution and has been rendered void to that extent.

Therefore, the qualifying period is determined by reference to ordinary residence in Zambia, and not by reference to the period for which a person has held a Residence Permit.

This is an important distinction for persons who have lived in Zambia for many years but whose immigration history does not necessarily correspond with the holding of a Residence Permit for the entire period of their residence.

The question is therefore not simply:

"How long have you held a Residence Permit?"

Rather, the relevant question is:

"For how long have you been ordinarily resident in Zambia?"

Citizenship by Registration Through Marriage

Citizenship by registration is also available to a person who is married to a Zambian citizen.

In this case, the Constitution provides for qualification where the person has been married to a Zambian citizen for a period of five years.

This is important because, unlike the ordinary-residence basis discussed above, the constitutional requirement in relation to marriage does not prescribe a period of ordinary residence in Zambia as the qualifying period.

The relevant period is therefore the period of marriage to the Zambian citizen.

Accordingly, a person who has been married to a Zambian citizen for the prescribed five-year period may qualify to apply for citizenship by registration, subject to the other requirements applicable to the application.

So, Who Qualifies?

The answer ultimately depends upon the circumstances of the individual applicant and the applicable constitutional provision.

For a person whose qualification is based upon ordinary residence, the relevant consideration is whether they have attained the age of 18 and have been ordinarily resident in Zambia for the prescribed period.

Importantly, following the Constitutional Court's ruling, the holding of a Residence Permit is not a requirement for establishing ordinary residence for this purpose.

For a person seeking citizenship by registration on the basis of marriage to a Zambian citizen, the relevant qualifying period is five years of marriage to that Zambian citizen, rather than a separately prescribed period of ordinary residence.

Finally, the Constitution also provides for citizenship by registration in respect of a person who is found in Zambia and is below the age of eight years, in the circumstances prescribed by the Constitution.

There you have it.

The question of whether one qualifies to apply for Zambian citizenship cannot simply be answered by asking how long a person has lived in Zambia or whether they hold a particular immigration permit. The starting point must always be the Constitution and the Citizenship of Zambia Act, and the particular circumstances under which the applicant seeks registration.

For those seeking to determine whether they qualify for Zambian citizenship and to obtain assistance with the application process, please reach out to Corpus Globe Corporate Solutions for professional guidance. We are at your disposal to assist.

Smart Invoice: What Businesses Need to Know

By Mark Siinsya, Accountant at Corpus Globe Corporate Solutions (CGCSO)

What is an Invoice?

An invoice is a commercial document issued by a business to a customer for goods supplied or services rendered. It records the transaction and ordinarily sets out details such as the supplier, customer, description of the goods or services, amounts payable, applicable taxes and payment terms.

Traditionally, businesses have issued invoices in a number of ways. Some continue to use manual invoices from printed invoice books, while others generate invoices through computerised accounting software, such as SAGE and other accounting or ERP systems.

However, businesses registered for specified tax types in Zambia are now required to move beyond these conventional methods and issue invoices through the Zambia Revenue Authority (ZRA) Smart Invoice system.

What is Smart Invoice?

Smart Invoice is an electronic invoicing system integrated with the ZRA system to enable the real-time reporting of invoice transactions to ZRA. It provides a more transparent and standardised way of recording and reporting business transactions for tax purposes.

Each tax invoice generated through the Smart Invoice system carries a unique Quick Response (QR) code, which enables taxpayers and customers to verify the authenticity of the tax invoice using a mobile application.

Smart Invoice is broader in scope than the previous Electronic Fiscal Device (EFD) regime and applies to a number of tax types, including:

- Value Added Tax (VAT);
- Turnover Tax (TOT);
- Income Tax;
- Rental Income Tax;
- Tourism Levy;
- Insurance Premium Levy; and
- Local Excise Duty on Coal and Electricity.

Who is required to use Smart Invoice?

Zambian businesses registered for the applicable tax types are required by law to register for and use Smart Invoice-compliant systems.

The requirement applies to businesses that issue, among other documents:

- Tax invoices;
- Receipts;
- Credit notes; and
- Debit notes.

The legal requirement to use Smart Invoice has been enforced since January 2025. Businesses that previously used EFDs are also required to transition to Smart Invoice.

Why is Smart Invoice compliance important?

Compliance is not simply an administrative requirement. It has a direct impact on both the business issuing the invoice and its customers.

Where an invoice is not issued through a ZRA Smart Invoice-compliant system, the invoice is invalid for purposes of claiming input VAT. This means that a customer who receives a non-compliant invoice may be unable to claim the VAT shown on that invoice as input VAT.

For suppliers, this can have a commercial consequence. Customers may prefer to purchase from suppliers who issue compliant invoices because they can properly account for and claim the applicable input VAT. Non-compliance can therefore make a business less competitive and expose it to unnecessary commercial and tax risks.

What happens if a business does not comply?

Failure to comply with the Smart Invoice requirement carries significant penalties under section 7A(3) of the VAT Act.

The penalties are:

First offence - Fine not exceeding **K40,000**
 Second offence - Fine not exceeding **K80,000**
 Third or subsequent offence - Fine not exceeding **K120,000**, or imprisonment for a term not exceeding **3 years**, or both.

In addition to the statutory penalties, businesses should consider the wider consequences of issuing non-compliant invoices, particularly the potential inability of customers to claim input VAT and the resulting impact on customer relationships and business competitiveness.

Smart Invoice Solutions

ZRA provides taxpayers with free Smart Invoice solutions, including:

- Mobile Application;
- Desktop Application; and
- Online invoicing packages.

Businesses that already use accounting or ERP systems such as SAGE may integrate their existing systems with Smart Invoice. In such cases, the taxpayer will generally be responsible for the costs associated with the required integration.

As a general implementation guide:

- Businesses already using compatible accounting software may require approximately 1–2 weeks for Smart Invoice integration; while
- Businesses transitioning from manual invoicing to an ERP system may require approximately 4–8 weeks, depending on the complexity of the implementation.

Businesses should therefore not wait until the last minute to begin the transition, particularly where integration with an existing accounting system is



required.

Benefits of Smart Invoice

Although Smart Invoice introduces an additional compliance requirement, it also provides a number of operational and business benefits, including:

1. Cost savings – reduced reliance on paper invoices and printing.
2. Faster invoice processing – electronic generation and transmission of invoices can streamline billing and accounting processes.
3. Improved tax compliance – real-time reporting gives greater visibility over transactions and helps reduce opportunities for tax evasion.
4. Greater reliability of invoice information – standardised electronic invoicing reduces the risk of incomplete or inaccurate invoice information.
5. Reduced accounting errors – integration with accounting systems can reduce manual data entry and the errors associated with it.
6. Greater transparency – the QR code provides a mechanism for verifying the authenticity of invoices.

What businesses should do

Businesses that fall within the Smart Invoice regime should ensure that they:

- Confirm the tax types for which they are registered and whether these fall within the Smart Invoice requirement;
- Register for Smart Invoice with ZRA where they have not already done so;
- Determine whether to use ZRA's free invoicing solutions or integrate Smart Invoice with their existing accounting/ERP system;
- Ensure that all relevant staff are trained to issue compliant invoices, receipts, credit notes and debit notes; and
- Review their invoicing and accounting processes to ensure continued compliance.

Smart Invoice is therefore not simply a new way of generating an invoice. It represents a shift towards real-time electronic tax reporting and greater integration between business accounting systems and ZRA. Businesses within the applicable tax regime should treat compliance as both a legal requirement and an important part of maintaining sound financial and tax administration.

For Smart Invoice registration, feel free to contact us at Corpus Globe Corporate Solutions and we will be happy to assist your business remain Smart Invoice compliant.

Reverse VAT in Zambia: What Businesses Need to Know

By Ben Malama, Finance Manager at Corpus Globe Corporate Solutions (CGCSO)

When a Zambian business procures taxable services from a non-resident supplier, the absence of Zambian VAT on the foreign supplier's invoice does not necessarily mean that the transaction is outside the Zambian VAT framework.

Under Zambia's VAT rules, Reverse VAT may apply to qualifying imported services where the non-resident supplier has not appointed a Zambian tax agent. In such cases, the responsibility for accounting for the applicable VAT shifts to the Zambian recipient.

For businesses that regularly procure services from foreign suppliers, this is an obligation that should not be overlooked.

What should businesses consider?

Businesses should review foreign supplier transactions and consider:

- Nature of the service – whether the service falls within the scope of taxable imported services;
- Supplier status – whether the supplier is non-resident and has a relevant tax presence or tax agent in Zambia;
- Place of utilisation or benefit – whether the service is received or utilised in Zambia;
- Tax point – when the VAT obligation arises under the applicable rules;
- VAT rate and taxable value – the correct rate and value on which VAT should be accounted for; and
- Input VAT recovery – whether the VAT may be recovered, depending on the recipient's VAT status and



the applicable input-tax rules.

Importantly, the absence of VAT on a foreign supplier's invoice does not, by itself, mean that no Zambian VAT obligation exists.

What should businesses do?

Businesses making regular payments to overseas service providers should have a process for identifying and reviewing these transactions.

This should include:

- Identifying payments to non-resident service providers;
- Assessing whether Reverse VAT applies;
- Determining the correct tax point, taxable value and VAT rate;
- Establishing whether the VAT is recoverable;
- Accounting for the VAT in the appropriate period; and
- Maintaining adequate documentation to support the treatment adopted.

Failure to identify and account for Reverse VAT where applicable may result in additional tax exposure, interest and penalties.

How can CGCSO help?

Our Tax Agency service provides

businesses with a practical alternative to accounting for Reverse VAT themselves.

Through **Corpus Globe Operations (CGO)**, acting as a Tax Agent, we can facilitate the VAT treatment of qualifying imported services on behalf of the business. This enables the buyer to avoid having Reverse VAT imposed directly on the transaction, subject to the applicable tax requirements and the Tax Agent arrangement.

This can be particularly valuable for businesses that regularly purchase services from overseas suppliers, as it can help avoid the additional VAT cost and administrative burden that may arise where the business is required to account for Reverse VAT itself.

If your business regularly purchases services from suppliers outside Zambia, you may be paying Reverse VAT unnecessarily.

Talk to us about how our Tax Agency service can help your business manage imported-service VAT more efficiently and, where applicable, avoid Reverse VAT on qualifying transactions.

Good tax planning is about identifying the right treatment before the transaction—not after the VAT has already become payable.

Payroll Management: Turning Compliance into Confidence

By Edna, Assistant Accountant at Corpus Globe Corporate Solutions (CGCSO)

Payroll is more than a monthly administrative process; it is a critical compliance and risk-management function for employers. Accurate and timely payroll supports compliance with applicable employment, tax, statutory deduction and reporting requirements, while reducing the risk of penalties, disputes and operational disruption.

At Corpus Globe Corporate Solutions (CGCSO), we approach payroll as a business-critical function centred on compliance, accuracy, confidentiality and efficiency. We help employers navigate the complexities of payroll administration and statutory obligations, ensuring that payroll processes are properly managed and aligned with applicable requirements. This enables our clients to minimise compliance risks, strengthen internal controls and focus on their core business and growth.

The Value of Effective Payroll Management

Effective payroll management is more than calculating salaries and deductions; it helps employers maintain accuracy, compliance, efficiency and employee confidence. Key benefits include:

- **Accuracy** - Ensures employees are paid correctly, reducing errors and payroll disputes.
- **Timeliness** - Ensures salaries and statutory submissions are processed on time, helping employers avoid penalties and interest.
- **Compliance** - Ensures PAYE, NAPSA, NHIMA and SDL obligations are accurately calculated and submitted within the required deadlines.
- **Transparency** - Provides clear payroll reports and reconciliations, giving management better visibility and control over payroll costs.
- **Cost Efficiency** - Reduces the cost of maintaining an in-house payroll function, including payroll staff, systems and ongoing training.
- **Confidentiality** - Ensures sensitive employee information, including salaries and personal details, is handled securely and confidentially.



- **Expertise** - Gives employers access to payroll professionals with knowledge of payroll processes, statutory requirements and changes in legislation.
- **Focus on Core Business** - Reduces the administrative burden on management and allows employers to focus their time and resources on their core operations and business growth.

CGCSO's Payroll Services

We provide end-to-end payroll solutions tailored to client needs, ensuring every aspect of payroll is handled with precision:

- **Payroll preparation** - Calculating gross salaries, deductions, and net pay in line with contracts and statutory rules.
- **Statutory submissions** - Managing PAYE, NAPSA, NHIMA, and SDL filings accurately and on time.
- **Reconciliations** - Aligning payroll with bank records, ledgers, and statutory accounts to eliminate errors.
- **Employee records** - Maintaining confidential and accurate staff records for compliance and HR support.
- **Compliance advisory** - Guiding clients on evolving payroll regulations and their impact on operations.

Insights for Employers: Payroll as a Strategic Tool

Payroll is more than an administrative function, when managed effectively, it can contribute to cost control, compliance, operational efficiency and employee confidence. Outsourcing payroll enables employers to:

- **Reduce Compliance Risk** - Ensure payroll and statutory obligations are accurately processed and submitted on time, minimising the risk of penalties and compliance issues.
- **Improve Employee Confidence** - Ensure employees receive accurate and timely

salaries, building trust and maintaining morale.

- **Reduce Administrative Burden** - Free management and internal teams from time-consuming payroll activities, allowing them to focus on core business operations and growth.
- **Control Costs** - Reduce the costs associated with maintaining an in-house payroll function, including payroll staff, systems, training and ongoing administration.
- **Access Professional Expertise** - Benefit from specialised payroll knowledge and stay informed about changes in tax and statutory requirements.
- **Protect Confidential Information** - Ensure sensitive employee and salary information is handled professionally and maintained with appropriate confidentiality.

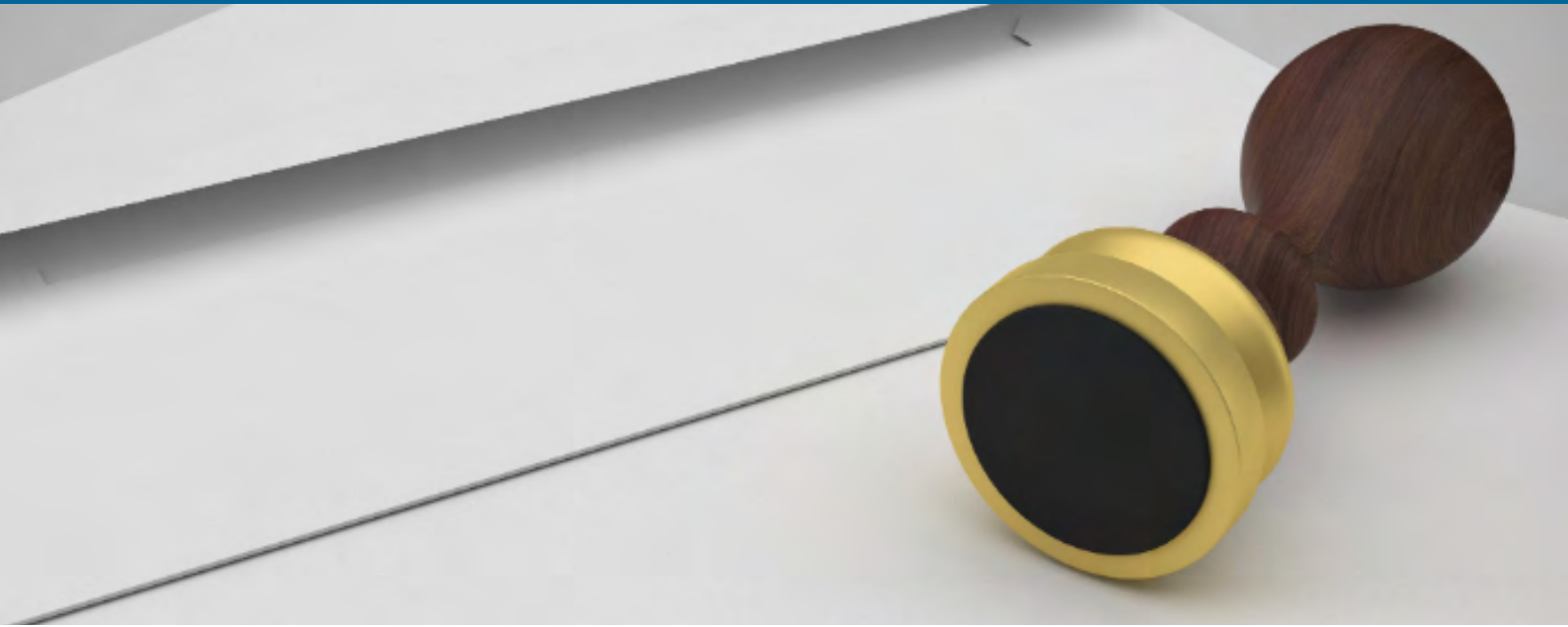
Our Commitment

At CGCSO, payroll is not just about numbers, it is about people and performance. We combine technical expertise with a client-centric approach, ensuring that payroll management supports both compliance and employee well-being. By entrusting us with payroll, businesses gain a partner who is committed to accuracy, accountability, and operational excellence.

Conclusion

Payroll management is the heartbeat of organizational success. At Corpus Globe Corporate Solutions, we transform payroll from a routine process into a strategic advantage. Through accurate calculations, timely submissions, and insightful reporting, we empower businesses to operate with confidence and employees to feel secure in their roles.

With CGCSO as your payroll partner, compliance becomes seamless, and payroll becomes a driver of trust and growth.



Company Common Seals: Do Companies Still Need to Use Them?

By Adrian Makowa, Compliance and Governance Officer at Corpus Globe Corporate Solutions (CGCSO)

The traditional company common seal has historically been an important symbol of corporate authority. Documents executed under a seal were regarded as formal acts of the company. However, the practical importance of the physical seal has changed.

Under the Companies Act No. 10 of 2017, (the “**Act**”) the common seal has not been abolished. Rather, the Act adopts a more flexible approach, a company is required to have a common seal, but it does not have to use the seal every time it executes a document. Although the Act permits alternative methods of execution, where the common seal is used, its affixing must be authenticated in accordance with section 32 and the company’s articles.”

Can a company execute documents without a Seal?

Section 32 expressly permits a company to execute a document or deed without affixing its common seal. A document or deed may be validly executed by or on behalf of a company by:

- by affixing the company’s common seal; or
- by signing the document with the signatures of two authorised signatories; or
- by the signature of a director whose signature is attested by a witness.

Importantly, the Act states that a document signed in accordance with these alternative methods has the same effect as if it had been executed under the company’s common seal. This is an important development in practical corporate administration.

Why does the Seal still matter?

If a company can execute documents without using its seal, a reasonable question is why does the Act still require a company to have one?

The continued requirement for a common seal means that the seal remains a legally recognised method of corporate execution. The fact that the Act permits alternative methods does not remove the seal from the company’s corporate framework. Accordingly, companies should maintain and control their common seals in accordance with the Act and their articles, even where the seal is not used for every transaction.

In practice, particular counterparties, financing institutions or transaction documents may also require execution under seal as part of their contractual or internal requirements

Can a Company Common Seal be kept in electronic form?

The Act also accommodates technological developments. Section 32 provides that a seal may be kept in electronic form in accordance with the relevant electronic-transactions legislation. This provision is particularly relevant in an increasingly digital business environment. It demonstrates that the legislation does not equate a company’s seal with a traditional physical form.

The Act also provides for a common seal for use outside Zambia. Subject to the company’s articles, a company may have a separate seal stating on its face the country in which it is to be used. This may be particularly relevant where a Zambian company enters into transactions or executes documents in another jurisdiction

The Common Seal remains legally relevant, but it is no longer the only route to valid corporate execution.

Firm Announcements/Updates



Chilombo



Mwenzi



Beatrice

Celebrating Growth and Excellence: Recognising Our Newly Promoted Team Members

As part of our commitment to recognising hard work, dedication, and outstanding performance, CGCSO proudly celebrated the promotion of several team members whose contributions have played an important role in the organisation's continued success.

Chilombo Kakoma was promoted from **Compliance and Governance Officer** to **Legal Supervisor**, in recognition of his leadership, professionalism, and commitment to delivering high-quality legal and compliance support.

Mwenzi Tembo-Zulu was promoted from **Legal Assistant** to **Compliance and Governance Officer**. Her promotion reflects the dedication, resilience, and excellence she has consistently demonstrated in her role and throughout her professional growth journey.

Beatrice Tshuma was promoted from **Legal Clerk** to **Legal Assistant**, recognising her hard work, reliability, and growing contribution to the legal team.

These promotions reflect CGCSO's commitment to developing talent from within and creating opportunities for professional growth and career advancement. We congratulate Chilombo, Mwenzi, and Beatrice on their well-deserved achievements and look forward to their continued contributions and success in their new roles.



Celebrating Excellence: Mwenzi Tembo-Zulu Called to the Zambian Bar

In August 2026, we congratulated **Mwenzi Tembo-Zulu, Compliance and Governance Officer**, on her admission to the Zambian Bar as an Advocate of the High Court of Zambia.

This significant achievement reflects her resilience, dedication, and commitment to excellence. We are proud to celebrate this important milestone and wish her continued success, growth, and impact as she embarks on the next chapter of her legal career.



New Hires - Welcome to the Team

The CGCSO team was pleased to welcome new members in August 2026. **Bridget Zulu** joined the organisation as a **Legal Assistant**, while **Bertha Bweupe** joined as a **Legal Clerk**. In addition, **Tukuza Sakala** and **Mercy Nachalwe** joined the team as **Legal Interns**.

We are delighted to have them on board and look forward to their contributions as they grow and thrive within the organisation.

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