



ZAMBIA

Zambia - Mixed (Common and Customary law)

★ [Incorporate Now](#)

📞 [Consultation](#)

Click request a call for a free, no obligation consultation.
In a hurry? Click incorporate now, and startup your company immediately.

Incorporating a company in Zambia

Zambia taxes

Want to setup a company in Zambia? This will tell you about tax laws in Zambia for a LLC which is the most common company type in the country.

Zambia taxes corporate income on a territorial basis. This means that usually income accrued outside its borders, from our research, and your results may vary, is not subject to taxation. However, foreign-source dividends and interests earned may be taxable. Taxes are high in Zambia because the standard corp. tax rate is 35%. Other tax rates may apply for certain income such as electronic communications (40%), mining operations (30%), export of non-traditional products and production of fertilizer (15%), agroprocessing and farming (10%). Zambia ranks 169th overall with regards to corp. taxation rate internationally.

The valued added tax rate is 16.00%, which ranks Zambia as 101st when compared to VAT globally. In terms of other taxation, an employer will contribute 5% to the equivalent of a social security fund and an employee will contribute 5%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 60hours. Contributing to this is the number of yearly labor tax payments, which is 4 in ZM.

Thin cap standards are officially enacted. Thin capitalisation refers to any type of laws on companies' debt-to-asset ratios. Dividends paid to a resident company are subject to 15% withholding tax. Dividends received from a foreign company are subject to Corporate Income Tax. Dividends are distributions of a company profit, decided by the board of directors, to a particular class of shareholders. Dividends can be issued as shares of stock, cash payments, or other property. Capital Gains are generally not subject to taxation. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 15%. Which means that the relevant tax authorities expects legal entities to automatically withhold 15% of payments offshore on interests. The dividends withholding tax rate is 15%. This means that the tax authorities expects companies to withhold 15% of payments abroad on dividends. The royalties withholding tax rate is 15%. Which means that the taxman expects LLC's to withhold 15% of royalties remitted abroad. There is no known tax on wealth in Zambia. There are no known inheritance taxes. There are real property transfer taxes. There are not many popular and well known credits for innovation spend that include tax incentives in this country.

The above is not tax or legal advice for your individual facts and circumstance. We can point you to an accountant in Zambia who can answer all your questions. Ready to get started? Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Zambia is 16% which ranks 101 in the world.

- ✓ **Patent box**
- ✗ **RND credit**
- ✗ **Wealth tax**
- ✗ **Estate tax**
- ✓ **Transfer taxes**
- ✗ **Asset taxes**
- ✗ **Capital duties**

- 22 **Tax treaties**
- 0% **Offshore Tax**
- 35% **Corp rate**
- **Loss carryback years**
- 60 **Corporate time**
- 16% **VAT rate**
- 0% **Capital gains**
- No **AEOI planned**

Zambia Legalese

For starters, the law in Zambia is mixed (common and customary law) law. You will want to get some local advice as to how to best structure a company in Zambia. E-signatures are allowed.

The abbreviation ZM is for Zambia and the most common company type in Zambia is a LTD.

It typically takes about 7 weeks to incorporate a LTD in ZM. The minimal capitalization, or amount you're expected to put into a bank, is 0, This means you don't have any minimum share capital. The types of consideration you can use to capitalize your company is often legal tender.

Yes, one is allowed to re-domicile a LTD from ZM. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least This means it is not possible for you to own a LTD in Zambia as a sole shareholder. You must have other shareholders, they can be nominees or de facto shareholders. Corporate Shareholders are permitted, which means you can have a legal entity as a shareholder. Foreign ownership is allowed, up to 100% of the total shareholding.

There is a requirement to have at least 2 directors. Speaking of shareholders, corporate directors are permitted. Directors should not have an expectation of privacy, as they are not kept private in Zambia. There is a requirement to have annual meetings of shareholders.

A registered legal firm must be retained for an address, paid by the company on an annual basis, for a professional firm which can receive a service of process on behalf of the registered legal entity. Furthermore, a company secretary is a requirement.

There is an obligation to file yearly tax returns. However, there is oftentimes a requirement to have these accounts audited.

Overall we think Zambia is a ok option and have given it a score of 55 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✓ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✓ **Local Secretary not required**
- ✗ **Local Director not required**
- ✓ **Electronic signature**

- 2 Shareholders required**
- 2 Directors required**
- 7 weeks to form**



ZAMBIA

Zambia - Mixed (Common and Customary law)

★ [Incorporate Now](#)

☎ [Consultation](#)

Click request a call for a free, no obligation consultation.
In a hurry? Click incorporate now, and startup your company immediately.

Country Info



🚩 National Flag of

Republic of Zambia
(eng)

\$ Currency

ZMW

☎ Area Code

+260

🏰 Capital

Lusaka

📍 Region

Eastern Africa

🌿 Native Languages

English