PKF ZAMBIA 2026 TAX ALERT

Zambia Revenue Authority Introduces Extended Voluntary Disclosure Scheme (EVDS)

TAX ALERT - EXTENDED VOLUNTARY DISCLOSURE SCHEME **17th September 2026**

The Zambia Revenue Authority (ZRA) has introduced the Extended Voluntary Disclosure Scheme (EVDS), which offers taxpayers an opportunity to regularise their tax affairs through relief from penalties and interest on qualifying tax liabilities.

The Scheme runs until 31 December 2026 and applies to eligible liabilities arising up to 31 August 2026. .

Who Can Benefit?

The Scheme is available to taxpayers who:

- ✓ Have outstanding tax liabilities with accumulated penalties and interest;
- ✓ Have previously undeclared tax obligations and wish to make a voluntary disclosure; or
- ✓ Wish to regularise their tax affairs and improve compliance with ZRA requirements.

Taxes Covered

The Scheme applies to various taxes administered by ZRA, including:

- ✓ Income Tax
- ✓ PAYE
- ✓ Value Added Tax (VAT)
- ✓ Withholding Tax
- ✓ Rental Income Tax
- ✓ Property Transfer Tax
- ✓ Other qualifying domestic tax liabilities

Relief Available

Taxpayers may qualify for a waiver of penalties and interest based on the amount of principal tax settled during the Scheme period.

Illustrative examples:

Principal Tax Paid	Penalty and Interest Waiver
100%	100%
75%	75%
50%	50%
25%	25%

The waiver is applied proportionately to the principal tax paid.

Key Conditions

To qualify for relief, taxpayers should ensure that:

- ✓ All outstanding tax returns have been submitted;
- ✓ Principal tax liabilities are settled or covered by an approved Time to Pay Agreement (TPA) where applicable;
- ✓ Existing Time to Pay Agreement (TPA) with ZRA remain in good standing; and
- ✓ VAT-registered businesses comply with applicable Smart Invoice requirements.

Important Exclusions

Relief may not be available in certain circumstances, including:

- ✓ Cases involving fraud, willful default, or tax-related offences;
- ✓ Penalties and interest already paid;
- ✓ Certain disputed matters under objection, appeal, or litigation; and
- ✓ Non-waivable statutory penalties (E.g. Underestimation penalties for periods prior 2025 charge year).

Each case should therefore be assessed individually before an application is submitted.

Why Act Now?

The EVDS presents a valuable opportunity for taxpayers to significantly reduce historic tax penalties and interest while bringing their tax affairs into compliance.

With the Scheme ending on 31 December 2026, taxpayers are encouraged to review their tax compliance status and take advantage of the available relief before the window closes.

How We Can Help

PKF Zambia can assist you by:

- Assessing eligibility under the EVDS;
- Identifying qualifying liabilities;
- Preparing voluntary disclosures;
- Engaging with ZRA; and
- Managing waiver and compliance applications.
- Our assistance will be provided at a fee to be agreed, depending on the scope of work required.

For further information on how the EVDS may apply to your circumstances, please contact us on the below contacts.

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