



PRESS RELEASE

Press & Public Affairs Section
British High Commission
PO Box 50050
LUSAKA

Telephone: +260 21 1 423 200

Fax: +260 21 1 423 291

E-mail: LusakaPressEnquiries@fco.gov.uk

Website: <https://www.gov.uk/world/zambia>

Follow us on Facebook and Twitter: [@UKinZambia](#)

The UK - Zambia Double Taxation Agreement Statutory Instrument Published

The British High Commissioner, James Thornton, has commended the Zambian government for implementing the UK-Zambia Double Taxation Agreement.

On 4 February 2014 the United Kingdom (UK) and Zambia signed a Double Taxation Agreement at a ceremony held at the Finance Ministry in Lusaka. A Statutory Instrument has now been published by the Zambian government; the Agreement came into force on 20 July 2016.

This agreement replaces a 1972 Double Taxation Agreement between the UK and Zambia.

Mr Thornton said:

“We are delighted that the Double Taxation has been published. It will make it easier for both British and Zambian companies to do business. The double taxation agreement eliminates administrative burdens and the additional cost to business of the same income being taxed twice.”

The UK and Zambia have a very strong partnership. As Zambia grows more prosperous, it is important that it also has a strong commercial basis. I am pleased that trade between our two countries has been growing steadily recently. This Agreement will help underpin that commercial relationship.”

Ends

Notes:

- It is common for a business or individual who is resident in one country to make a taxable gain (earnings, profits) in another. Without agreement such as avoidance of double taxation it may mean that a person or business may find that he is obliged by domestic laws to pay tax on that gain where he or she is resident and pay again in the country in which the gain was made.
- The new Agreement takes account of changes in the taxation policies of both our countries, and of international developments in this field. A particularly important new provision is for the exchange of information between our financial authorities to help combat tax evasion. Other major changes in the treaty include:

Dividends: under the 1972 treaty, a reduced withholding tax rate of 5% on

dividend payments was only available if a UK company held at least 25% of the shares in a Zambian company. With the new treaty, this is available for all companies except property owning companies. This compares to 15% in Zambia, and 0% in the UK.

Interest: a reduced 10% withholding tax rate on interest payments applies under both treaties. This compares to 15% in Zambia and 20% in the UK.

- **Royalties:** under the old treaty, a 10% tax rate was available on royalty payments to the UK, under the new treaty a 5% rate should be available. This compares to 20% in Zambia and 20% in the UK.

Fees: under both treaties a 0% rate should be available. This compares to 20% in Zambia and 0% in the UK.

More information on double taxation can be found on The UK Government's Revenue & Customs website: <http://www.hmrc.gov.uk/international/dta-intro.htm>

For further information, please contact the British High Commission on +260 211 423200 or follow us on Facebook and Twitter: @UKinZambia.

British High Commission, Lusaka
29 July 2015