

## CHAPTER 356

### THE TAX RESERVE CERTIFICATES ACT

# ARRANGEMENT OF SECTIONS

#### Section

1. Short title
2. Issue of tax reserve certificates
3. Moneys received for tax reserve certificates to be paid into a deposit account
4. Moneys received for tax reserve certificates not to be regarded as borrowings under the General Loan and Stock Act

## CHAPTER 356

#### TAX RESERVE CERTIFICATES

44 of 1963

*Statutory*

An Act to make provision for the issue of tax reserve certificates; and to provide for incidental matters.

*Instrument*

159 of 1965

[6th September, 1963]

1. This Act may be cited as the Tax Reserve Certificates Act. Short title
2. (1) The Minister is hereby empowered to issue certificates called tax reserve certificates of such denominations and subject to such conditions as he may by regulation prescribe. Issue of tax reserve certificates

(2) Such certificates shall be accepted by the Government at their face value, plus any interest due thereon, in payment by the holder thereof of any amount payable by him in respect of any direct tax specified by the Minister by statutory notice.

*(As amended by S.I. No. 159 of 1965)*

3. All moneys received for the purchase of tax reserve certificates under this Act shall be paid into a deposit account of the Government established by the Minister for the purpose, and any amounts required for the redemption of such tax reserve certificates shall be paid out of such deposit account.

Moneys received for tax reserve certificates to be paid into a deposit account

4. Moneys received for the purchase of tax reserve certificates issued under this Act shall not be regarded as loans for the purpose of the General Loan and Stock Act.

Moneys received for tax reserve certificates not to be regarded as borrowings under the General Loan and Stock Act.  
Cap. 350

## **SUBSIDIARY LEGISLATION**

### **TAX RESERVE CERTIFICATES**

### **THE TAX RESERVE CERTIFICATES REGULATIONS**

#### ARRANGEMENT OF REGULATIONS

##### Regulation

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SCHEDULE-Employer's application form for Tax Reserve Certificates

**SECTION 2-THE TAX RESERVE CERTIFICATES  
REGULATIONS  
Regulations by the Minister**

***Government  
Notice  
314 of 1963  
Act No.  
57 of 1964  
Statutory  
Instrument  
157 of 1976  
39 of 1980***

1. These Regulations may be cited as the Tax Reserve Certificates Regulations. Title
2. In these Regulations, unless the context otherwise requires- Interpretation

"authorised officer" means an officer authorised by the Minister for the purposes of these Regulations;

"certificate" means a tax reserve certificate issued under subsection (1) of section *two* of the Act;

"holder", in relation to a certificate, means the person specified thereon as being the holder of the certificate;

"surrendered" means surrendered to an authorised officer for the payment of tax or under regulation 13 or 14;

"tax" means any direct tax specified by the Minister by statutory notice under subsection (2) of section *two* of the Act.

3. Certificates shall be issued in denominations of two kwacha or an integral multiple of two kwacha not exceeding one million kwacha. Denomination of certificates

*(As amended by S.I. No. 157 of 1976).*

4. No person shall at any one time be the holder of certificates of a total value exceeding one million kwacha. Value of certificates held to be limited to one million kwacha.

*(As amended by S.I. No. 157 of 1976).*

5. (1) Subject to the provisions of sub-regulation (2), an application for a certificate shall be made at an office of the Department of Taxes or at such post offices as may be authorised by the \*Minister to accept applications for the issue of certificates. Applications for certificates

\* See General Notice No. 1885 of 1963 and Gazette Notice No. 1723 of 1966.

(2) An employer who provides facilities to his employees for the purchase of certificates by means of regular deductions from salaries or wages shall submit an application for certificates in respect of his employees in duplicate in the form set out in the Schedule, with the appropriate remittance, to an office of the Department of Taxes.

6. (1) On receipt of an application for a certificate accompanied by the appropriate remittance, an authorised officer shall issue a certificate to the applicant or to each person in respect of whom application is made, as the case may be. Procedure on receipt of application

(2) The certificate shall specify-

(a) the date of issue of the certificate; and

(b) the face value of the certificate; and

(c) the name and address of the holder;  
and shall be signed by the authorised officer.

7. (1) Interest as provided for in sub-regulation (2) shall be paid on every certificate. Interest

(2) The interest payable on a certificate shall be simple interest calculated at the rate of six per centum per annum for each completed month from the date of issue of the certificate to the date on which the certificate is surrendered.

(3) In the calculation of interest any fraction of an ngwee shall be disregarded.

*(As amended by S.I. No. 39 of 1980).*

8. A certificate shall not be valid for the payment of tax until at least one month has elapsed from the date of issue of the certificate. One month to elapse before certificate valid for payment of tax

9. Where a certificate is surrendered for the payment of tax and after deducting the tax payable by the holder there is a balance outstanding, the amount of the balance shall be refunded to the holder. Disposal of balance remaining after payment of tax

10. A certificate which has not been surrendered shall mature two years after the date of issue and an amount equal to the face value thereof, plus any interest due thereon, shall be credited to the tax account of the holder. Certificate to mature two years after date of issue

*(As amended by S.I. No. 157 of 1976)*

11. A certificate shall not be transferable and any purported transfer thereof shall be void of tax. Certificate not transferable

12. A certificate shall be issued solely for tax purposes and, save as provided in regulations 13 and 14, a certificate shall not be valid for any purpose other than for payment by the holder of any amount due in respect of tax. Save as provided in regulations 13 and 14, certificate to be accepted solely in payment

**13** (1) If the holder of a certificate-

In certain circumstances, certificate may be accepted otherwise than in payment of tax

(a) dies; or

(b) is adjudged or otherwise declared insolvent or bankrupt; or

(c) in the case of a company, is being wound up;

and proof thereof to the satisfaction of an authorised officer is furnished, the authorised officer shall, subject to the provisions of sub-regulation (2), pay to the executor, trustee or liquidator, as the case may be, on the surrender of the certificate, an amount equal to the face value of the certificate, plus any interest due thereon.

(2) Before making any payment under sub-regulation (1), the authorised officer shall deduct from the amount payable under that sub-regulation the amount of tax payable by the holder of the certificate or his estate, as the case may be.

**\*14.** If in any particular case there are special circumstances which, in the opinion of an authorised officer, justify the acceptance of a certificate otherwise than in payment of an amount due in respect of tax, the authorised officer shall, on the surrender of the certificate by the holder, pay to the holder an amount equal to the face value of the certificate, plus any interest due thereon.

Special circumstances in which certificate may be accepted for an amount equal to its face value, plus interest

\*See section 8 of the Income Tax (Employments) Act (Act No. 7 of 1966) which remains in force until 30th June, 1971, as if that Act had not been repealed by the Income Tax Act (Cap. 668).

**15.** (1) If a certificate is lost or destroyed and the loss or destruction is proved by the production to an authorised officer of-

Loss, destruction or defacement of certificate

(a) a declaration giving the circumstances of the loss or destruction, sworn by the holder before a commissioner for oaths or like authority;

and

(b) such additional proof of the loss or destruction as the authorised officer may reasonably call for;

the authorised officer shall, on receipt of an indemnity to his satisfaction given by the holder, issue to the holder a duplicate copy of the lost or destroyed certificate.

(2) If a certificate is defaced, an authorised officer may, on the surrender of the defaced certificate, issue to the holder a duplicate copy of the defaced certificate.

## SCHEDULE

(Regulation 5 (2))

## EMPLOYER'S APPLICATION FORM FOR TAX RESERVE CERTIFICATES

*(to be submitted in duplicate)*

To:

Date: .

Schedule of deductions from salaries or wages of the employees

of .....

.....

of .....

(name of employer) (address of employer)

for the purchase of Tax Reserve Certificates.

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\*See section 8 of the Income Tax (Employments) Act (Act No. 7 of 1966) which remains in force until 30th June, 1971, as if that Act had not been repealed by the Income Tax Act (Cap. 668).

Full name of employee	Address of employee	Value of certificate
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		required
		K
	Remittance herewith	K

Certificates to be sent to-

- (a) the employer at the above address.
- (b) the individual employees at their separate addresses.

*(Delete whichever is inapplicable)*



**SECTION 2-THE TAX RESERVE CERTIFICATES  
(DIRECT TAXES) NOTICE**

*Notice by the Minister*

*Statutory  
Instrument  
158 of 1976*

- |   |   |
|---|---|
| <p>1. This Notice may be cited as the Tax Reserve Certificates (Direct Taxes) Notice.</p>   | Title                                   |
| <p>2. The direct taxes set out in the Schedule hereto are hereby specified as direct taxes in respect of which the Government shall accept tax reserve certificates in payment by the holder thereof of any amount payable by him in respect of such taxes.</p> | Direct taxes                            |
| <p>3. Government Notice No. 40 of 1964 is hereby revoked.</p>   | Revocation of<br>G.N. No. 40 of<br>1964 |

**SCHEDULE**

*(Paragraph 2)*

**SPECIFIED DIRECT TAXES**

Income Tax assessed under section 63 of the Income Tax Act, Cap. 668 of the old edition, or payable in accordance with that Act.