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REPUBLIC OF ZAMBIA

MINISTRY OF COMMERCE, TRADE AND INDUSTRY

OFFICE OF THE MINISTER
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In Reply please quote

No.....

PRESS RELEASE

For immediate Release

REDUCTION IN SELECTED FEES AT PACRA AND CCPC

Lusaka 3rd April, 2023 - The Ministry of Commerce, Trade and Industry wishes to inform the public on the reduction of fees for services under the Patents and Companies Registration Agency (PACRA) and the amendment of mergers and acquisitions notification fees payable under the Competition and Consumer Protection Commission (CCPC).

The reduction of fees under the two statutory bodies was necessitated by Governments commitment to ensuring that doing business in Zambia is as easy as possible, and in a conducive business environment.

My Ministry recognizes that the private sector is the backbone of our economy and we therefore remain committed to ensure that measures and policies that will reduce the cost of doing business in the country are implemented as we strive to promote Governments vision of building a private sector driven economy.

I wish to reiterate that Government will continue to work towards establishing Zambia as a regional trade hub and preferred investment destination for both local and foreign investors. To achieve this, we have continued to implement policies that are predictable, transparent and stable in order to reduce uncertainty costs for businesses. As such, my Ministry encourages transparency by publishing all business-related fees and charges applicable to businesses.

To this effect, the Government of the Republic of Zambia has reduced and amended fees that are charged for selected services under the following Acts of Parliament:

1. Companies Act No. 10 of 2017;
2. Movable Property (Security Interest) Act No. 3 of 2016; and
3. Competition and Consumer Protection Act No.24 of 2010.

Under the Companies Act No.10 of 2017, Government has reduced selected fees which companies are required to pay. In this regard, the Companies (Fees) Regulations 2019, Statutory Instrument No. 15 of 2019, has been repealed and replaced by the Companies (Fees) Regulations 2022,

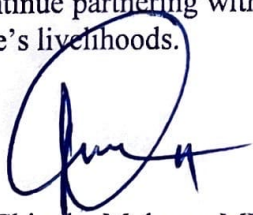
Statutory Instrument No. 107 of 2022. The fees charged for the increase in share capital have been reduced from two-point five percent (2.5%) to only one-point five percent (1.5%). Government has also reduced the prescribed minimum share capital of commercial banks from K156,000,000 to K104, 000,000 for local banks and for foreign banks from a minimum share capital of K780,000,000 to K519,999,900.10. Further, to reduce the cost of accessing finance by Micro, Small and Medium Enterprises (MSMEs), Government has reduced the registration fees for charges on mortgages relating to immovable property by ninety-eight percent (98%). Other reductions relate to the deregistration of companies and changes to the shareholding of companies.

In addition to the reductions of fees under the Companies (Fees) Regulations 2022, Government has reduced and amended fees that are charged under the Movable Property (Security Interest) Act. To this effect, the Movable Property Regulation 2016, Statutory Instruments 73 of 2016, has been repealed and replaced by the Movable Property Regulation 2022, Statutory Instruments 108 of 2022. Following the repeal, the services offered under the Movable Property Act such as registration of a financing statement has been reduced from K100 to 1% of the secured amount but the one percent should not exceed K100. Amendments and discharge of financing statements have been reduced from K100 to K20. Additionally, registration of enforcement notice of creditors rights has been reduced from K50 to K20.

Furthermore, I am pleased to notify you that Government has increased the merger notification threshold under the Competition and Consumer Protection Act No. 24 of 2010. The merger threshold has been adjusted upwards from ZMW 15 million of the combined annual turnover or total asset value of the merging parties, whichever is higher in Zambia to ZMW 30 million. This means that whereas previously, those transactions between ZMW 15 million and ZMW 30 million would have been required to pay a notification fee between ZMW 15, 000 and ZMW 30,000, these transactions will no longer need to be notified with CCPC and ultimately will not incur the cost of notification fees that they would have otherwise incurred. This upward adjustment was rectified to reduce the cost of doing business for MSMEs in Zambia and encourage foreign direct investment for overall development of the business community.

I am, once again, delighted to announce that these adjustments are intended to make the fees affordable for businesses and I, therefore urge businesses to take advantage of these reductions by complying with the regulations set by Government.

Lastly, I call upon the private sector to speak out on matters that may be disruptive to business and to continue partnering with Government as we work together to build our economy and improve people's livelihoods.



Hon. Chipoka Mulenga MP

MINISTER OF COMMERCE, TRADE AND INDUSTRY