



CCPC

COMPETITION AND CONSUMER
PROTECTION COMMISSION

ANNUAL REPORT 2023

Theme:

E-Commerce: Fostering Trust and Fairness in Zambia

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**The Honourable Minister,
Ministry of Commerce, Trade and Industry
Lusaka
Hon. Minister**

According to Paragraph 13 of the First Schedule of the Competition and Consumer Protection Act No. 24 of 2010, the Commission is required to present to the Minister of Commerce, Trade, and Industry an Annual Report on the activities of the Competition and Consumer Protection Commission, relating to the year immediately preceding.

I hereby submit to you, Honourable Minister, the Annual Report, together with the Audited Statement of Financial Position and the Statement of Income and Expenditure for the year 2023.

Yours sincerely,



MS ANGELA B. KAFUNDA
BOARD CHAIRPERSON

ACRONYMS

ACER	Annual Competition and Economic Regulation
ACF	African Competition Forum
ACSZ	Agriculture and Commercial Society of Zambia
ACT or CCPA	Competition and Consumer Protection Act No. 24 of 2010 as read with Amendment Act No. 21 of 2023
Board	Board of Commissioners for the Commission
BAZ	Bankers Association of Zambia
BoZ	Bank of Zambia
CCC	COMESA Competition Commission
CCPT	Competition and Consumer Protection Tribunal
CCRED	Centre for Competition, Regulation and Economic Development
COMESA	Common Market for Eastern and Southern Africa
Commission CCPC	or Competition and Consumer Protection Commission
COVID-19	Corona Virus Disease 2019
CUTS	Consumer Unity and Trust Society
FRA	Food Reserve Agency
ICN	International Competition Network
ICPEN	International Consumer Protection and Enforcement Network
MCTI	Ministry of Commerce, Trade, and Industry
MoFNP	Ministry of Finance and National Planning
NFIS	National Financial Inclusion Strategy
NPA	National Prosecutions Authority
PIA	Pensions and Insurance Authority
SADC	Southern African Development Community
SEC	Securities and Exchange Commission
UNCTAD	United Nations Conference on Trade and Development
ZCSA	Zambia Compulsory Standards Agency
ZICTA	Zambia Information and Communications Technology Authority

STATUTORY MANDATE

The Competition and Consumer Protection Act No.24 of 2010 (CCPA) is a Statute under which the Competition and Consumer Protection Commission (CCPC) is established.

The Commission is a primary advocate for competition and consumer protection in Zambia and its mandate cuts across all economic sectors, including those sectors with specific regulators. In general terms, the Commission's principal aims are twofold, that is:

- ☞ Safeguard and promote competition
- ☞ Protect consumers against unfair trade practices.

CORE FUNCTIONS of the COMMISSION



COMPETITION REGULATION

- ☞ Review the operation of markets in Zambia and the conditions of competition in those markets
- ☞ Investigate and assess restrictive agreements, abuse of dominant positions and mergers
- ☞ Undertake and publish general studies on the effectiveness of competition in individual sectors of the economy in Zambia



CONSUMER PROTECTION REGULATION

- ☞ Provide information for the guidance of consumers regarding their rights under the CCPA
- ☞ Investigate unfair trading practices and unfair contract terms and impose such sanctions as maybe necessary
- ☞ Conduct Inspections of trading premises



GOVERNMENT ADVISORY

- ☞ Advise Government on laws affecting competition and consumer protection
- ☞ Advise the Minister on agreements relevant to competition and consumer protection and on any other matter relating to competition and consumer protection



GENERAL

- ☞ Review the trading practices pursued by enterprises doing business in Zambia
- ☞ Act as a primary advocate for competition and effective consumer protection in Zambia
- ☞ Co-operate with and assist any Association or body of persons to develop and promote the observance of standards of conduct for the purpose of ensuring compliance with the provisions of the CCPA
- ☞ Liaise and exchange information, knowledge and expertise with competition and consumer protection authorities in other countries
- ☞ Do all such acts and things as are necessary, incidental or conducive to the better carrying of its mandate under the CCPA

VISION & MISSION STATEMENTS

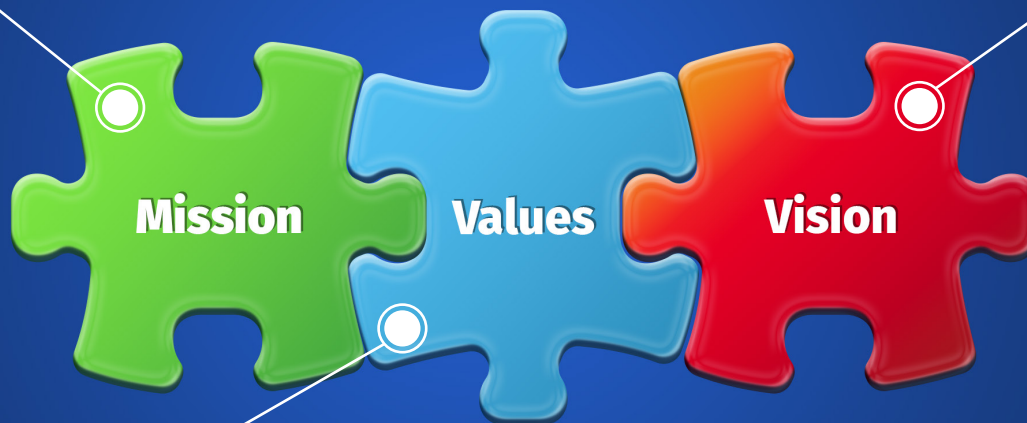
The Commission's Vision and Mission Statements are articulated in line with its goals and objectives, to fulfil its mandate with emphasis on the Organisational Values which govern how the Commission discharges its functions. This includes its investigations, advocacy programmes, public outreach and stakeholder engagement.

OUR MISSION

To be a global model in protecting and maximizing economic welfare.

OUR VISION

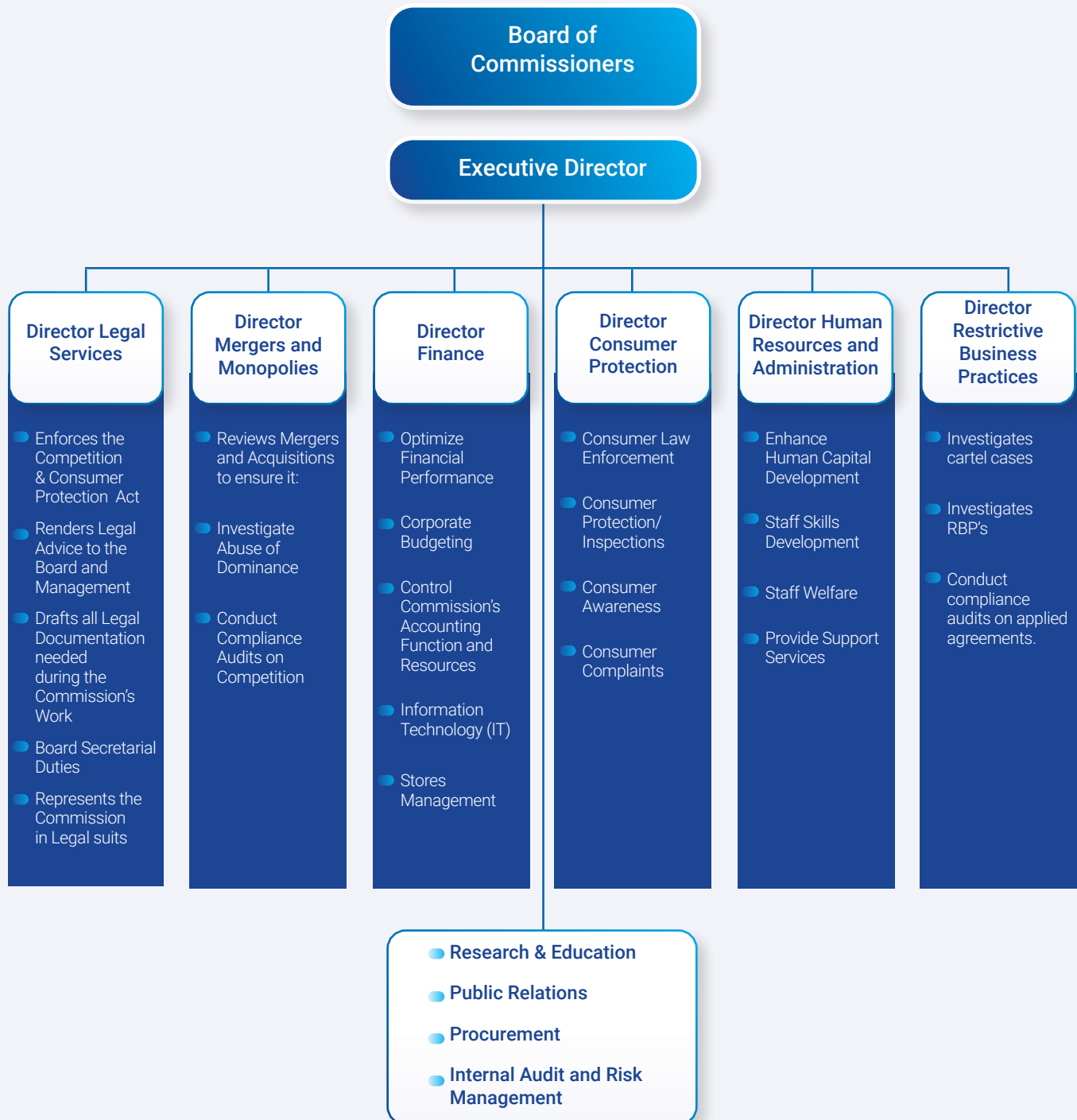
To safeguard and promote economic welfare by prohibiting anti-competitive and unfair business practices in Zambia.



ORGANIZATIONAL VALUES

- 1 **Professionalism** – We act in a skilled and diligent manner, exhibiting good judgment and polite behaviour.
- 2 **Integrity** – We act fairly, ethically and transparently in all we do
- 3 **Respect** – We respect and value all our stakeholders.
- 4 **Excellence** – We use our energy, skills and resources to deliver the best service.
- 5 **Responsive** – We proactively engage with all our stakeholders and respond in a timely manner.
- 6 **Transparency** – We are accountable and respect due process.

ORGANIZATIONAL STRUCTURE



CORPORATE GOVERNANCE

The Commission's affairs are guided and governed by the Board of Commissioners, a body appointed by the Minister responsible for Commerce, Trade, and Industry. The Board has both corporate governance and adjudicative functions under the Act. The Board also appoints the Executive Director who manages the Commission.

The Vision 2030, the strategic focus of the 8th National Development Plan (8NDP), and the gazette functions of the Ministry of Commerce, Trade and Industry on promoting fair competition and consumer welfare guide the program operational framework of the Commission. The Board thus draws its inspirations from these national policy documents and functional guidance, in addition to operational guidelines as provided for under the Act, to superintend the Commission. In terms of performance contract obligations, the Board is responsible for ensuring the promotion and protection of competition and consumer welfare, respectively.

The Board Charter directs procedures and processes of the Board. This is done to ensure that the Board adheres to good corporate governance principles, and the provisions of the Public Finance Management Act Number 1 of 2018. All Board Members are amenable to this Law and the Charter. The Board further ensures that the Commission remains prudent and above board in its daily operations.

BOARD COMMITTEES

The Board Committees and their respective Terms of Reference are as highlighted below:

► Technical Committee

- Adjudicating matters referred to it by the Commission;
- Overseeing the establishment of Guidelines, Regulations and Standards of practice and procedure;
- Suggesting amendments to the law; and
- Giving guidance on other legal and technical matters.

► Audit and Risk Management Committee

- Reviewing the contents of the Commission's Operational Reports, Human Resources & Administration reports, and Financial Reports and Accounting Policies. This done to ensure compliance with International Financial Accounting Reporting Standards, policies, Rules and regulations, operational manuals, and any other relevant legislation.
- Receiving and confirming the Audit Findings, Management Letter, and the Audit Report from External Auditors, and recommending their approval to the Board before onward submission to the Auditor General's Office.
- Providing risk assurance and evaluating and reviewing risk mitigation measures put in place by Management in accordance with the risk appetite of the Commission in managing risk identification and measurement procedures and methodologies.
- Advising the Board on the systems of internal management control and on matters of internal audit.
- Reviewing regular internal audit reports as well as Management responses; and
- Reviewing and approving related party transactions required to be disclosed in the Financial Statements.

Corporate Governance (continued)
BOARD COMMITTEES (continued)

- Evaluating and reviewing the audit policy of the Commission.
- Considering and evaluating Management's ability to override the Commission's internal controls.

► **Finance and Administration Committee**

- Receiving reports from Management on Financial Management and Human Resources Administration.
- Providing guidance and advice to Management on matters relating to Financial and Human Resource & Administration policies.
- Reviewing and evaluating the Annual Report and recommend its adoption to the Board.
- Providing guidance to Management on matters relating to the appointment of External Auditors.
- Supervising, evaluating and providing guidance to administration matters relating to:
 - Financial Management.
 - Human Resource Management.
 - Information Technology.
 - Legal.
 - Procurement.
 - Stores Management; and
 - Budgeting.

BOARD AND COMMITTEE MEETINGS

The Finance and Administration Committee, held four (4) Meetings, the Audit and Risk Management Committee held five (5) meetings, while the Technical Committee had twelve (12) meetings.

Below is a summary of Board and Committee Meetings held in 2023:

Committee Meetings	Date of Meeting	Number
Technical Committee	18th January 2023	12
	21st February 2023	
	14th March 2023	
	27th April 2023	
	18 May 2023	
	28th June 2023	
	19th July 2023	
	31st August 2023	
	19th September 2023	
	27th October 2023	
	14th November 2023	
	15th December 2023	

Corporate Governance (continued)

BOARD AND COMMITTEE MEETINGS *(continued)*

Committee Meetings	Date of Meeting	Number
Finance and Administration Committee	31st March 2023 19th May 2023 4th September 2023 8th August 2023	4
Audit and Risk Committee	22nd February 2023 9th May 2023 15th August 2023 10th November 2023 7th December 2023	5

In 2023, the Commission held a total of six (6) Board Meetings for the Adjudication of Cases and four (4) Board Meetings for Finance and Administration/Audit Matters, as follows:

Board Meetings	Date of Meeting	Number
Board Adjudications	7th February 2023 5th April 2023 6th June 2023 9th August 2023 11th October 2023 5th December 2023	6
Board Finance, Administration, Audit and Risk	21st April 2023 10th July 2023 16th October 2023 27th December 2023	4

BOARD OF COMMISSIONERS

The Board of Commissioners of the Competition and Consumer Protection Commission comprises seven (7) members, who are appointed by the Minister of Commerce, Trade and Industry in accordance with the Act. The Commissioners, including the Chairperson, are appointed as non-executive members for a term of four years. They are vested with authority to provide strategic direction to the Commission and to adjudicate matters investigated by the Commission, and make determinations. The Executive Director is an Ex-Officio member of the Board.



Ms Angela B. Kafunda

Chairperson



Mr. Fredrick Imasiku

Vice Chairperson (Resigned)



Mrs. Sambwa S. Chilembo

Commissioner (Resigned)



Mr. Stanford G Mtamira

*Finance and Administration
Committee Chairperson*



Mr. Sikambala M. Musune

*Audit and Risk Committee
Chairperson*



**Mr. Emmanuel M.
Mwanakatwe**

*Technical Committee
Chairperson*



Mr. Derrick Sikombe

Commissioner



Mr. Brian M. Lingela

Executive Director (Ex-Officio)

EXECUTIVE MANAGEMENT TEAM

The Executive Director heads an Executive Management Team of Six (6) Directors responsible for the operational directorates. The Executive Director has a legal mandate to oversee the daily administration of the Commission.



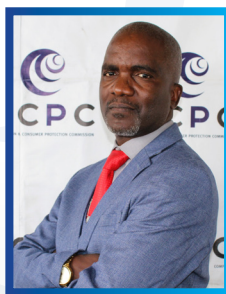
Mr. Brian M. Lingela

Executive Director



Mrs. Maureen Mwanza

Director Legal Services



Mr. Vestus Chungu

Director Finance



Mr. Patrick Chengo

*Director Restrictive
Business Practices*



**Mrs. Luyamba Mpamba
Kapembwa**

Director Mergers & Monopolies



**Mrs. Enice Phiri
Hamavhwa**

Director Consumer Protection



Mrs. Beene Siyumbwa

*Director Human Resources &
Administration*

Chairperson's Statement

In the dynamic Zambian landscape of e-commerce, the Commission has remained committed to fostering fair competition and protecting consumer interests. Competition and consumer protection issues have become a vital regulatory concern evolving around market dominance, anti-competitive practices, data privacy, and ensuring fair and transparent transactions. The Commission thus set itself a goal to foster competition, safeguard the competitive landscape in the economy and safeguard consumers from deceptive practices while emphasizing the need for effective regulatory oversight in all economic sectors as they are dynamic and evolving rapidly. To further foster trust and fairness in Information, Communication and Technology (ICT) and e-commerce, the Commission's investigative prowess and the regulatory framework will have to evolve swiftly to address complex e-commerce issues by employing innovative approaches to maintain a balance between fostering competition and protecting consumers in the ever-evolving landscape of ICT and e-commerce.

Addressing the anti-competitive behaviour of internet-based businesses often becomes complex, especially when such businesses have cross-border operations. This complicates enforcement efforts as it requires navigating international jurisdictions while ensuring that consumer data, which is critical, is protected and consumers are safeguarded against cyber threats. Thus, 2023 saw the Commission, in addition to active market screening and regulatory enforcement, advocating for (i) a comprehensive regulatory framework aimed at nurturing an ecosystem where businesses can compete on merit, innovation, and quality, for the ultimate benefit of the Zambian consumer (ii) robust measures to protect consumer data privacy, ensuring that personal information is handled with the utmost care and transparency and (iii) empowering consumers with critical capability information over the handling of their data in order to enhance



The Commission thus set itself a goal to foster competition, safeguard the competitive landscape in the economy and safeguard consumers from deceptive practices while emphasizing the need for effective oversight in all economic sectors as they are dynamic and evolving rapidly

trust in online transactions and foster a secure digital space.

Going forward, the Commission will continue to seek to empower consumers with accessible channels to address concerns and seek re-

Chairperson's Statement (continued)

dress, ensuring that consumer rights are upheld throughout their e-commerce journey. In collaboration with other stakeholders, the Commission will continue its efforts of creating a sustainable and ethical e-commerce landscape in Zambia. This involves continuous dialogue, educational initiatives, and partnerships that promote responsible business practices, environmental sustainability, and social responsibility.

On behalf of the entire Board of Commissioners, I wish to thank my fellow Commissioners for their professionalism and excellence exhibited in all the duties we have undertaken together thus far. May I also convey my gratitude to the Executive Director, Management, and Staff of CCPC for their resilience and dedication in the enforcement of

the Competition and Consumer Protection Law in Zambia. Our collective efforts continue to contribute to the inclusive growth and development of Zambia even as we implement our Strategic Plan for 2022 to 2026.

A. Kafunda

MS. ANGELA B. KAFUNDA
BOARD CHAIRPERSON

Executive Director's Report

The year 2023 was an eventful one in which the Commission embarked on refining its strategic orientation and streamlining its advocacy processes. The Commission also continued to implement its 2022-2026 Strategic Plan whose focus is on effective stakeholder engagement, strategic collaboration, and capacity building. The implementation of the five-year Strategic Plan has seen the Commission setting strategic priorities that focus on impactful goals and the attainment of economic benefits for the people of Zambia.

During the year 2023, the Commission remained steadfast in its commitment to protecting and promoting a competitive business environment, and enhancing consumer welfare by prohibiting unfair trading practices in the country. In a bid to promote and safeguard competition in the economy, the Commission reviewed and processed several mergers and acquisitions in different sectors.

During this period, the Commission worked tirelessly to investigate anti-competitive and unfair trading practices in the economy, administer sanctions and institute legal proceedings before the Courts of Law, against erring parties. In addition, the Commission was and remains committed to ensuring that the public is kept informed of the various interventions and progress made in the cases handled.

In 2023, the Commission resolved a total of one thousand eight hundred and fifty-four (1,854) consumer cases involving two thousand two hundred and nineteen (2,219) provisions of the Competition and Consumer Protection Act as compared to two thousand and sixty-four (2,064) cases involving two thousand four hundred and twelve (2,412) provisions of the Act, in 2022. The decrease in the number of cases is attributed to the Commission's referral of complaints to sector regulators, particularly in cases where issues were of a technical nature and the sector regulators were therefore better placed to handle them.

Twenty-one (21) traders were fined for violating



consumer protection provisions of the Act with fines ranging from 0.5% to 0.8% of their respective annual turnovers. In the imposition of fines, the Commission is cognisant of the need to ensure proportionality, which creates a proper balance between compliance and the need to prevent business closure.

Of the cases handled, the retail sector accounted for 36.82%, the financial services sector rep-



During the year 2023, the Commission remained steadfast in its commitment to protecting and promoting a competitive business environment, and enhancing consumer welfare by prohibiting unfair trading practices in the country.



During the period 1st January 2023 to 31st December 2023, the Commission recovered eight million six hundred forty-two thousand one hundred-and ninety-four-kwacha (K8,642,194) from twenty-four (24) erring enterprises that were fined by the Commission.

resented 30.60%, and the Information and Communication Technology (ICT) sector accounted for 15.05%. Other sectors accounted for 17.53% of the cases. Most retail sector concerns related to traders failing to supply goods bought on hire-purchase and the supply of defective goods, especially mobile phones and television sets. In retail trade, hire-purchase concerns remained topical as traders delayed to supply goods upon full payment.

From these cases, the Commission, recovered four million five hundred seventy-two thousand two hundred and four-kwacha (K4,572,204) in refunds and two million one hundred ninety-seven thousand eight hundred and fifty Kwacha (K2,197,850) in replacements and repairs from the various cases investigated across the country. This is testament to the fact that the Commission's presence in all the provincial centres in Zambia is helpful in promoting consumer welfare. By way of contrast, in 2022 the Commission recovered three million two hundred fifty-eight thousand two hundred and sixty-one Kwacha (K3,258,261) in refunds and one million nine hundred twenty-two thousand eight hundred and ninety-seven Kwacha (K1,922,897) in replacements and repairs.

Therefore, in 2023, the Commission cumulatively recovered a total of six million, seven hundred seventy thousand and fifty-four Kwacha (K6, 770, 054) compared to a total of five million one hundred eighty-one thousand and one hundred fifty-eight kwacha (K5, 181, 158) in the previous year.

To proactively deal with some retail sector concerns, the Commission intensified inspections of trading premises over the year, working collaboratively with the local authorities, the Zambia Compulsory Standards Agency (ZCSA) and the Zambia Metrology Agency (ZMA). In the year under review, the Commission inspected a total of one thousand five hundred fifty-seven (1,557) trading premises. These inspections took place in forty-six (46) districts across the country and saw the seizure of goods worth two hundred eighty thousand one hundred and four kwacha (K280,104). The seized goods did not meet the provisions of the Act or the Food Safety Act No. 7 of 2019.

In addition, in 2023, the Commission assessed sixty-three (63) merger cases compared to eighty-five (85) merger cases handled in the year 2022. The decline in the number of merger cases handled is attributed to the upward adjustment of the merger notification threshold from fifteen million kwacha (K15,000,000) to thirty million kwacha (K30,000,000) pursuant to Statutory Instrument number 106 of 2022 issued by the Minister of Commerce, Trade, and Industry, Honourable Chipoka Mulenga. The said adjustment acted as a concession for smaller businesses sitting at an annual turnover of under K30,000,000, as they are no longer required to notify their merger transactions with the Commission. Of the 63 mergers, fifty-one (51) were received in 2023, while twelve (12) were brought forward from the year 2022.

The Commission reviewed and closed forty-nine (49) out of the sixty-three (63) merger cases in 2023. The reviewed and closed cases were from such key sectors as mining, banking and finance, retail and wholesale, manufacturing, transport and logistics, agriculture, real estate, services, tourism and hospitality, health, Information and Communication Technology, energy, construc-



2023 saw the Government of the Republic of Zambia enact the Competition and Consumer Protection (Amendment) Act No. 21 of, 2023.

tion, and insurance. From these mergers that were authorised, a total investment amount of nine billion six hundred thirty-nine million six hundred fifty-three thousand four hundred nineteen kwacha (**K9,639,653,419**) was facilitated and realised.

Furthermore, in 2023, the Commission investigated nine (9) enterprises that were alleged to have abused their dominant positions of market power in various markets as compared to twenty-three (23) cases investigated in the year 2022. Three (3) of the nine (9) cases were closed with no case established and hence no fines being imposed, one (1) case was closed after payment of a fine, and five (5) of these cases were carried forward to 2024. The sectors that recorded the most alleged abuse of dominant position conduct include information and communication technologies, education, services, agriculture (aquaculture), manufacturing, and mining. Some of the alleged anti-competitive practices investigated by the Commission were exclusive dealing, excessive pricing, tying and bundling, and imposing unfair trading conditions.

During the year under review, the Commission saw several sectors being affected by abuse of dominance incidences. In this regard, the Commission handled a total of thirty-one (31) restrictive business practices with the most affected sectors being the information and communication technology, retail and wholesale, services, agriculture (livestock), and the manufacturing sector (largely, the clear beer sub-sector). During the period in question, the Commission imposed

financial penalties on three (3) distributors of Zambian Breweries PLC clear beer products namely Red Sea Distributors (Z) Limited who were fined 4% of their annual turnover, Prav Holdings Zambia Limited, and Jimuceci Enterprises Limited who were both fined 3% of their annual turnover for abusing their dominant position of market power in the applicable relevant market.

It is the Commission's understanding that cartels possess a distinctive character as they constitute a conspiracy against the people of Zambia by agreeing to effecting detrimental conditions, or the fixing of prices that steal from the people. Cartels are the most severe violation of competition law and, as such, are strictly prohibited with no room for justification. Cartels have thus remained a focal point of the Commission's enforcement efforts and in the year under review, twelve (12) cases were reported and are still under investigation.

The affected sectors include agriculture with three (3) reported cases, manufacturing with three (3) reported cases, services with three (3) reported cases, and the retail sector with one (1) reported case. One major cartel case investigated and concluded in the year 2023 was the case of three roofing manufacturers that were found to have been communicating their prices through a messaging app called *WeChat*. In determining the case, the Board of Commissioners fined the involved companies namely Longlihua Company Limited, Building Dreams Investments Limited, and Herocean Enterprises Trading as Dragon Construction Material 8.5% of their annual turnovers respectively for engaging in anti-competitive business practices. Cartel investigations take longer to complete as they are more complicated and require meticulous investigative procedures.

In the same year, the Commission conducted Market inquiries to assess the competitiveness of respective markets, identify any anti-competitive practices, and ensure that the markets operate efficiently for the benefit of consumers. One such inquiry was in the Pay Television Service Sector in Zambia, pursuant to Part V of the Competition and Consumer Protection Act No. 24 of

Executive Director's Report (continued)

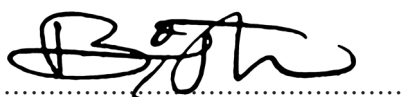
2010. The inquiry sought to address issues ranging from content availability, programming quality, and pricing to regulatory gaps and access to national broadcasting services. The inquiry has since been concluded and will be published and distributed to the public. The Commission remains hopeful that the inquiry findings and recommendations will trigger appropriate regulatory intervention that will both promote the growth of the television and broadcasting industry as well as protect the interests of the consumers. It is also the Commission's hope that the industry itself will take on self-regulatory interventions for effective responsiveness to consumers.

During the period 1st January 2023 to 31st December 2023, the Commission recovered eight million six hundred forty-two thousand one hundred- and ninety-four-kwacha (K8,642,194) from twenty-four (24) erring enterprises that were fined by the Commission. Additionally, the Commission collected on behalf of the Government of the Republic of Zambia, thirty-four million two hundred and six thousand three hundred and fifty six Kwacha (K34,206,356) in Statutory Fees. As a Commission, we are happy that we can contribute to the National Treasury in this manner.

2023 saw the Government of the Republic of Zambia enact the Competition and Consumer Protection (Amendment) Act No. 21 of, 2023. I would like to convey my appreciation to the Republican President, Mr. Hakainde Hichilema, through the Minister of Commerce, Trade and Industry, Honourable Chipoka Mulenga, MP. for the strides made in responding to the aspirations of the Zambian people to have a law that is responsive to their needs. Through the amended Act, the Commission will harness stakeholder collaborative efforts with sector regulators to safeguard the interests of consumers and businesses.

We will devise new, convenient, and effective systems of capturing and resolving cases and scale up our stakeholder engagement efforts. in line with our 2022 – 2026 Strategic Plan.

We remain resolute to contributing to enhanced economic development of the country and safeguarding the interests of consumers and the competitive economic environment in 2024 and beyond.

**BRIAN M. LINGELA****EXECUTIVE DIRECTOR**

MERGERS AND MONOPOLIES



KEY STRATEGIC OBJECTIVES:

- 🌀 Develop and implement a predictable and efficient merger regulation
- 🌀 Ensure free and fair markets with minimal barriers to entry
- 🌀 Investigative and Assess anti-competitive Mergers and Acquisitions

In 2023, the Commission handled sixty – three (63) notifications of merger cases compared to eight (85) notifications of merger cases handled in 2022. The decline in the number of notifications of merger cases handled could be attributed to the upward adjustment of the merger notification threshold from Fifteen Million Kwacha (K15, 000,000) to Thirty Million Kwacha (K30, 000,000) through Statutory

Mergers and Monopolies (continued)

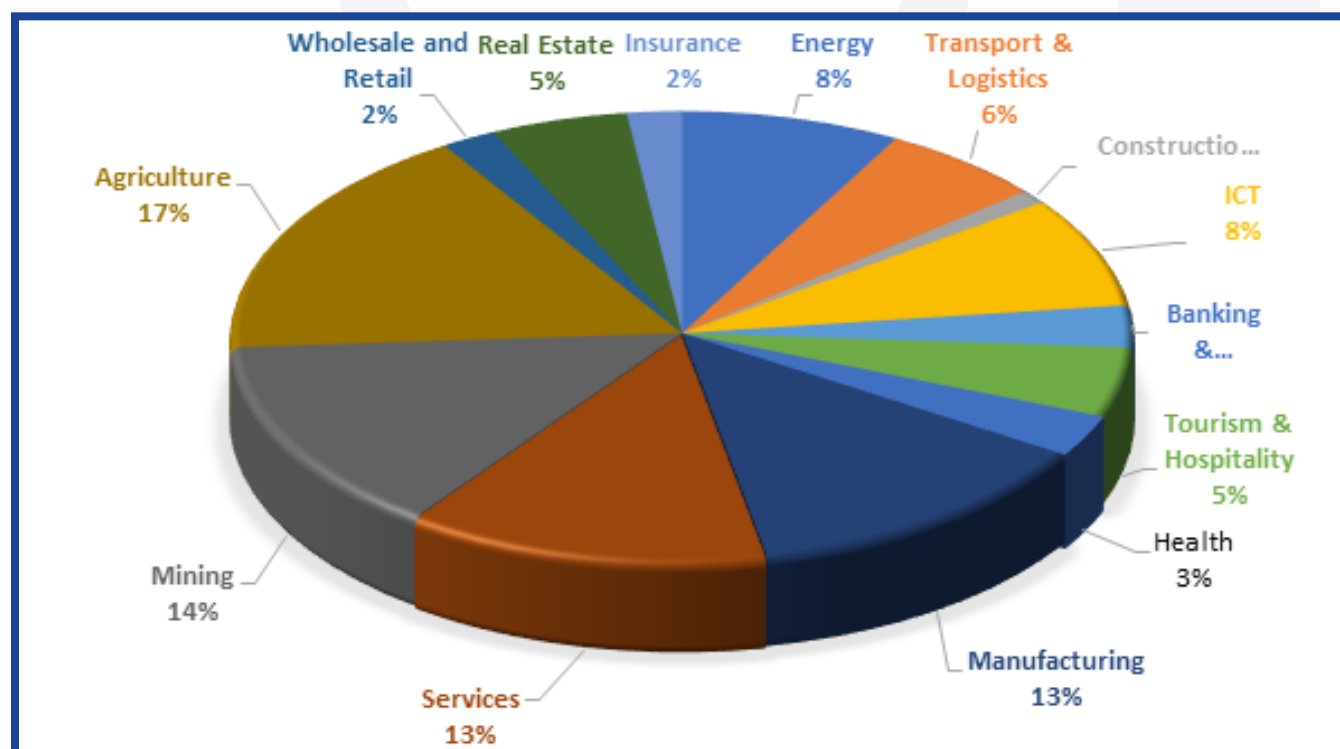
Instrument No. 106 of 2022. This followed the issuance of the Competition and Consumer Protection (General) (Amendment) Regulations, Statutory Instrument (SI) Number 106 of 2022, which came into effect on 1st January 2023. This meant that merger transactions which were falling below the threshold of K30,000,000 could not be considered in 2023 by the Commission. SI No. 106 of 2022 was aimed at promoting the ease of doing business especially for the Micro, Small and Medium Enterprises (MSMEs) and it was in line with the Government's Policy Directive of unlocking the economy by attracting and encouraging investment.

Fifty-One (51) of these merger notifications were received in 2023, while twelve (12) were brought forward from 2022. The Commission reviewed and closed forty-nine (49) out of the sixty-three (63) merger cases in 2023. The reviewed and closed cases were from such key sectors as Banking & Finance, Retail and Wholesale, Manufacturing, Transport and Logistics, Agriculture, Real Estate, Services, Tourism and Hospitality, Health, Information and Communication Technology, Energy, Construction, Mining, and Insurance.

The table below shows the summary of merger cases handled:

Case statistics – Mergers

Brought Forward to 2023	Cases Received in 2023	Total Cases Handled	Total Cases Closed	Carried Forward to 2024
12	51	63	49	14



► The merger involving the proposed asset purchase agreement between Ogaz Zambia Limited and Puma Energy Zambia Plc.

The merger positively impacted the energy sector and reinforced the Government's efforts towards the fight against global warming through enhanced access to clean energy. The merger also resulted in medium to long term skills transfer relating to up-skilling of Zambians with technical expertise in

Mergers and Monopolies (continued)

the Liquefied Petroleum Gas (LPG) industry. Further, the transaction resulted in saving 30 jobs with prospects of creating more jobs.

- The merger involving the sale of assets by Agri-Options Limited to Nyimba Millers Limited resulted in the saving of a failing firm and saved 30 jobs with plans of an additional 40 jobs when production normalized.
- The merger involving Gridworks Development Partners LLP and Virunga Power Holdings Limited. This merger resulted in an initial investment of US\$30,000,000 into Zambia with further investments of US\$20,000,000 scheduled to come post transaction. The merger also resulted in the creation of over 250 direct and indirect jobs, supported the development of over 50 MSMEs, and provided technical development and transfer of skills in Ikelen'ge District.
- The merger involving LM&C Properties Limited and Real Estate Investment Zambia Plc resulted in the saving of a failing firm, saved 100 jobs, and assisted in the overall enhancement of economic development in Zambia.
- The merger involving Chibuluma Mines Plc and Tiger Fish Exploration, resulted in an initial investment of US\$4,000,000 in exploration - pending a further US\$200,000 investment. The transaction resulted in the creation of a joint venture which would result in the creation of employment for the locals in the Copperbelt Province across all departments of the operations of the Joint Venture. Further, the transaction resulted in additional projects which enhanced downstream activities related to the production of copper, consequently leading to job creation and increased mineral exports.
- The merger involving the acquisition of 100% shares in David Livingstone Safari Lodge and SPA Limited by Protea Hotels Zambia Limited and RDC Properties International Proprietary Limited. The merger resulted in the saving of 107 jobs with prospects of creating more jobs for the local people in Livingstone. Further, the merger resulted in an investment of US\$2,000,000 that will improve the tourism sector in Zambia.
- On the other hand, the Commission fined Kazang Zambia Limited and SPENN Technologies A/S for implementing a merger without authorization pursuant to Section 37(a) of the Act. Both Kazang Zambia Limited and SPENN Technologies A/S were fined 1% of their respective 2022 annual turnovers, and were directed to regularize the merger involving the acquisition of 15% shares in Kazang Zambia Limited by SPENN Technologies A/S.

► Processes and Procedures

In the period under review, the Commission continued to review its processes and procedures to ensure that the merger regime in Zambia was more predictable and efficient. This was done through the Commission's pre-merger virtual/physical engagement with parties and other stakeholders aiming at providing adequate information required for the successful filing of merger applications.

► Collaboration with SADC

Throughout 2023, the Commission took the helm of the SADC Mergers Working Group, a platform that fosters knowledge exchange among SADC Competition Authorities, allowing them to share non-confidential experiences and case statistics from their respective jurisdictions. To this effect, the Commission spearheaded four meetings focused on diverse merger review approaches.

The SADC Mergers Working Group proved to be a vital asset for the Commission in 2023. Chairing the four meetings allowed the Commission to actively shape discussions on merger review from various angles. This platform provided invaluable insights that empowered the Commission to continuously enhance its own merger review practices.

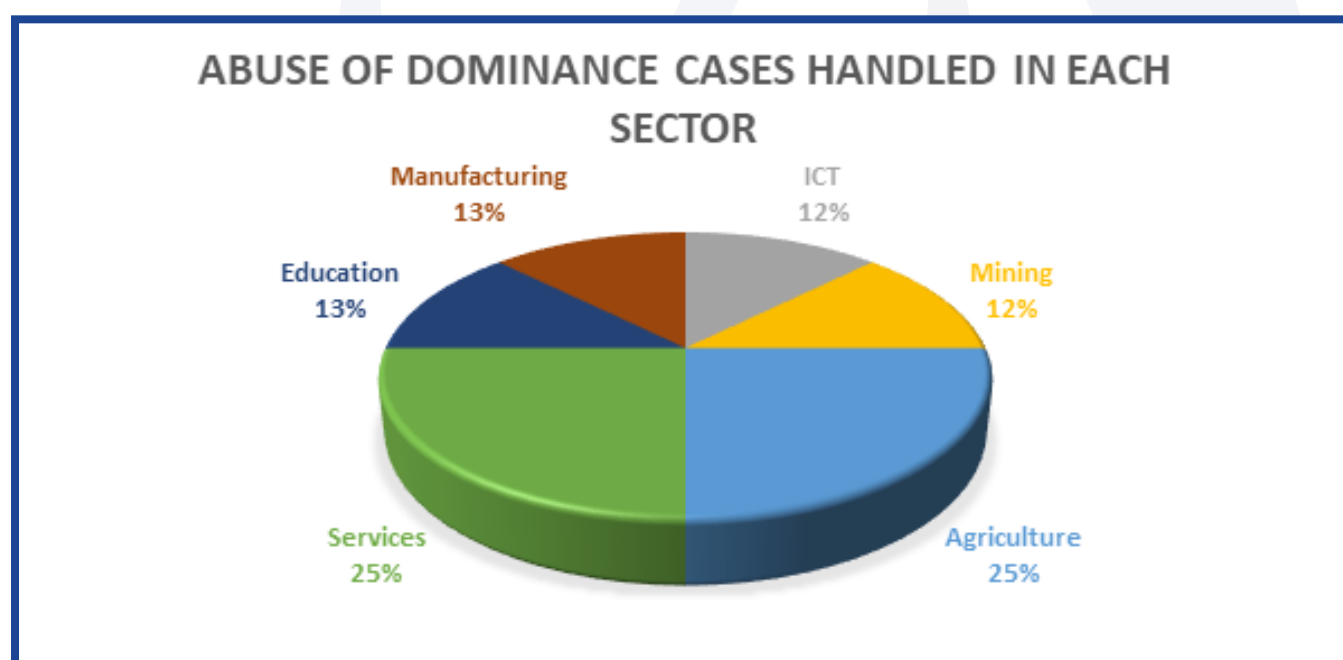
Mergers and Monopolies (continued)

►► **Cooperation with the COMESA Competition Commission**

Building on a strong foundation, the Commission and the COMESA Competition Commission (CCC) further strengthened their partnership in 2023 by jointly tackling merger reviews and other broader competition issues in the common market. This strategic collaboration aimed to boost predictability, eliminate redundant notifications, and streamline merger regulation, ultimately bringing down business costs like duplicated merger fees. However, the number of COMESA mergers handled by the Commission reduced from 44 in 2022 to 20 in 2023. This decline could be attributed to various socio-economic factors such as the Covid-19 pandemic and trade effects of the Russia and Ukraine war that dampened business activity.

One high-profile merger in 2023 that tested the joint mettle of the Commission and the CCC was Akzo Nobel's bid for Kansai Plascon. A detailed investigation revealed the merger's potential to strangle competition and trigger job losses in Zambia posing a significant threat to both market dynamics and public welfare. In a decisive move, the CCC, informed by the Commission's insights, rejected the transaction thus preventing a near-monopoly, and consequently protecting the competition process and safeguarded the public welfare.

►► **ABUSE OF DOMINANCE**



Investigations on Abuse of Dominance

In 2023, the Commission investigated nine (9) enterprises that were alleged to have abused their dominant positions of market power in various markets, as compared to twenty-three (23) cases investigated in 2023. Three (3) of the nine (9) cases were closed with no fines being imposed, one (1) was closed upon payment of a fine, while five (5) cases were carried forward to 2024. The sectors that recorded the most alleged abuse of dominant position conduct included Information and Communication Technologies, Education, Services, Agriculture (Aquaculture), Manufacturing, and Mining sectors. Some of the alleged anti-competitive practices investigated by the Commission were exclusive dealing, excessive pricing, tying and bundling, and imposition of unfair trading conditions.

Mergers and Monopolies (continued)

The table below shows the summary of abuse of dominance cases handled:

Case statistics – Abuse of Dominance

Brought Forward to 2023	Cases Received 2023	Total Cases Handled	Total Cases Closed	Carried Forward to 2024
6	3	9	4	5

The pie chart below shows the percentages of abuse of dominance cases handled in each sector

► Notable Abuse of Dominance cases

Allegation of Abuse of Dominance against Leopards Hill Memorial Park (LHMP)

One of the cases investigated by the Commission involves Leopards Hill Memorial Park (LHMP) which has since been ordered to stop charging consumers for tombstone installations within LHMP. The Commission's investigation revealed that LHMP had introduced a 20% fee for non-registered tombstone installers and a 10% fee for registered tombstone installers. This fee created unfair competition between registered and non-registered installers, and this was an additional cost to consumers. In addition to the Order, a fine of 3% was imposed on the company and Management was ordered to undergo compliance training with the Commission. LHMP has since appealed the matter.

Allegations of Abuse of Dominance against Mpande Limestone involving

Another notable case investigated by the Commission is based on allegations of Anti-Competitive Business Practices against Mpande Limestone Limited (the "Respondent"). It had been alleged that Mpande Limestone Limited had been selling its cement 42.5R and 32.5N at USD \$4.20 and USD \$3.40 respectively in Malawi, a price that was lower than the price prevailing in Lusaka and other towns of Zambia for the same product. The Commission's investigations established that Mpande had forty percent (40%) market share and that the prevailing average prices in 2020 for the 32.5N and 42.5R Mpande cement were USD \$5.57 and USD \$ 5.85 respectively, and in 2021 the average prices were USD \$6.06 and USD \$6.29 respectively. Furthermore, it was found that Mpande's landed price of cement in the neighbouring Malawi was USD \$8.32 for the 32.5N and USD \$ 9.25 for 42.5R bag of Mpande cement. It was also noted that the Competition and Fair-Trading Commission (CFTC) of Malawi had found that the average prices of the Mpande Sinoma cement 32.5N and 42.5R were USD \$8.75 and USD \$9.25 in Malawi. Thus, Mpande had not violated any Section of the Act. However, the Commission was directed by the Board of Commissioners to continue to monitoring the cement market.

Allegations of Abuse of Dominance Against Productive Farming in the sell of day old chicks

The Commission initiated investigations against Productive Farming Limited (Productive Farming) and National Milling Corporation Limited (National Milling) for the alleged conduct of tying and bundling of Day Old Chicks(DOCs) to chicken feed in Ndola. It was established that the sale of DOCs had no connection to the sale of chicken feed because the two products could be sold separately. Further, the investigations revealed that the demand for DOCs was seasonal and had peak moments in which demand exceeded supply and low moments in which supply exceeded demand.

The Commission found that, despite not being dominant market players, Productive Farming and National Milling were engaging in the conduct of tying and bundling by taking advantage of the seasonality of the industry and the seasons with high demand for DOCs and tying them to the chicken

Mergers and Monopolies (continued)

feed. The conduct still unduly restrained competition and is detrimental to consumers.

The Commission directed the Respondents to cease and desist from engaging in any anti-competitive conduct such as tying and bundling. The Commission continues to conduct awareness trainings to resellers of Day-old chicks and stock feed on the matter of tying day-old chicks to stock feed and closely monitors the poultry sector for any anticompetitive conduct such as tying and bundling.

► *Activities to Promote Compliance and Competition Law*

Awareness training in Mergers and Monopolies

In spreading awareness on fair play and going beyond enforcement, the Commission actively sensitised such key market players as Indo Zambia Bank, South African Airways, MTN Zambia, and CFAO through institution tailored awareness training on mergers and abuse of dominance issues. These proactive sessions empowered businesses to navigate the competitive landscape responsibly. The sessions tackled mergers and abuse of dominance concerns specific to affected industries, fostering a culture of informed compliance. Through dedicated awareness training on mergers and abuse of dominance matters, the relevant market players gained valuable insights to enable them to navigate the market with confidence.

Compliance

To ensure compliance of merger conditions, the Commission initiated compliance audits, some of which will be continued in 2024. This is done to ensure that companies do not depart from agreed conditions post transaction, and to ensure that the business competitive landscape is balanced and vibrant.

Participation and Collaboration

The Commission participated at various fora, including the Africa Competition Forum, and the International Competition Network. The discussions at these platforms bordered on abuse of dominance, unilateral conduct, as well as emerging issues as digital platforms. Insights were shared with such regional peers as Kenya, Eswatini, and South Africa; and international experts from countries like Brazil and Australia, to mention but a few.

Locally, the Commission actively collaborated with other sector regulators such as Zambia Information and Communications Technology Authority (ZICTA). The focus of this collaboration involved the intricacies of Information and Communication Technology in competition matters, as well as navigating the challenges of the digital era. This was to enable the Commission effectively and efficiently regulate the markets by ensuring free and fair markets in the digital era.

RESTRICTIVE BUSINESS PRACTICES



KEY STRATEGIC OBJECTIVE:

☉ **Reduced incidences of Cartels and Restrictive Business Practices on the Zambian market**

- Eliminate Cartel Business Behaviour
- Deter Restrictive Business Practices
- Conduct inspections of trading premises.

▶ *Investigations of Restrictive Business Practice (RBP) Cases*

Restrictive Business Practices have continued to affect most sectors of the economy because they are some of the biggest contributors to the high cost of doing business in the country, accounting for 9 to 30% increase.

The Commission in the year 2023 handled a total of 31 Restrictive Business Practices cases, with the most affected sectors being information and communication technology, retail and wholesale, services, agriculture (Livestock), and the manufacturing sector (largely, the clear beer sub sector). The Commission imposed financial penalties on three distributors of Zambian Breweries Plc clear beer products namely Red Sea Distributors Limited who were fined 4%, Prav Holdings Zambia Limited and Jimuceci Enterprises Limited who were each fined 3% of their respective annual turnovers for abusing their dominant position of market power in the applicable relevant markets. The Commission has since intensified its sensitization activities regarding the ills of unfair competition and is in the process of developing guidelines on Block Exemptions and other competition guidelines on Sections 8 and 10 which are aimed at providing self-assessment and self-regulation by enterprises in order to minimize the risk of abrogating the law.

RESTRICTIVE BUSINESS PRACTICES (continued)

It is important for participants in the market to understand that engaging in unfair competition is an unjustifiable behaviour that will consequently result in severe sanctions imposed by the Commission. Should companies find themselves uncertain about the consequences of their chosen business strategies, it is recommended that they seek guidance from the Commission or submit the necessary exemption applications to ensure compliance.

►► Cartels

Although cartels fall under the category of Restrictive Business Practices, they possess a distinctive nature as they constitute a conspiracy against the citizens of Zambia and are therefore subject to both civil and criminal penalties. Cartels represent the most severe violation of competition law and, as such, are strictly prohibited without any justification. To curb cartels, the Commission heavily depends on market intelligence, and individuals who come forward as whistle-blowers. The Commission also depends on its dedicated policies that enable it to safeguard those reporting and aiding the Commission in its investigations. Additionally, the Commission has implemented a Leniency Program, providing companies that voluntarily disclose their involvement in cartelistic conduct with relief from both civil and criminal repercussions.

Cartels have thus remained at the core of the Commission's enforcement efforts, with 12 cases having been reported and investigated in 2023. Sectors of note included Agriculture (3), Manufacturing (3), Service (3), and Retail (1) Sectors. One major cartel case concluded in the year under review involved three manufacturers of roofing sheets, who were found to have been communicating their prices through WeChat, a messaging app. As such, the Board of Commissioners fined Long Lihua Company Limited, Building Dreams Investments Limited, and Herocean Enterprises trading as Dragon Construction Material 8.5% of their respective annual turnovers for engaging in anti-competitive business practices.

The Commission has also noticed MSMEs actively participating in cartel formations and has since drawn up a strategy to sensitise them as some of them may be informal businesses that are part of Trade Associations. Such initiatives in the period under review include the Kabwata Hair Association and the Kasumbalesa Fruit and Vegetable Traders Association.

CONSUMER PROTECTION



KEY STRATEGIC OBJECTIVES:

Enhance Consumer Protection in Zambia:

- Empower consumers with knowledge on their rights and obligations in the market place
- Improve the handling and resolution of Consumer complaints
- Conduct Inspections of trading premises

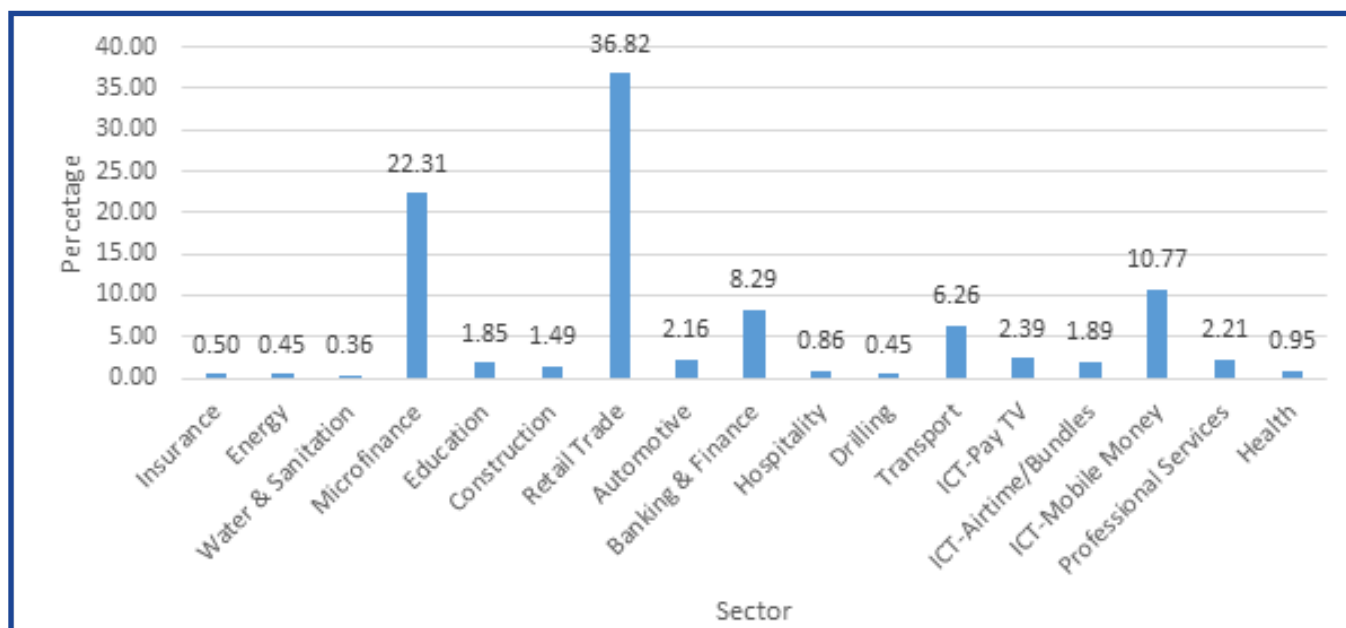
► *Consumer Complaints – Cases Investigated and Resolved*

In 2023, the Commission resolved a total of one thousand eight hundred and fifty-four cases (1,854) involving two thousand two hundred and nineteen (2,219) provisions as compared to two thousand and sixty-four (2,064) cases involving two thousand four hundred and twelve (2,412) provisions resolved in 2022. The decrease was attributed to the Commission's referral of complaints to sector regulators, particularly in cases where issues are technical and the sector regulators are better placed to handle them.

This number of cases was primarily driven by complaints from the retail sector accounting for 36.82% of the cases handled; the financial sector, that is, banking and microfinance (30.60%); and the information and communications technology ("ICT") sector (15.05%) in terms of provisions. Most retail sector concerns were related to traders failing to supply goods bought on hire-purchase and the supply of defective goods, particularly mobile phones and television sets. In the financial sector, most of the cases related to unsolicited deductions from salaries or bank accounts; continued deductions for settled loans and delayed or non-reversal of transactions on request, particularly mobile money

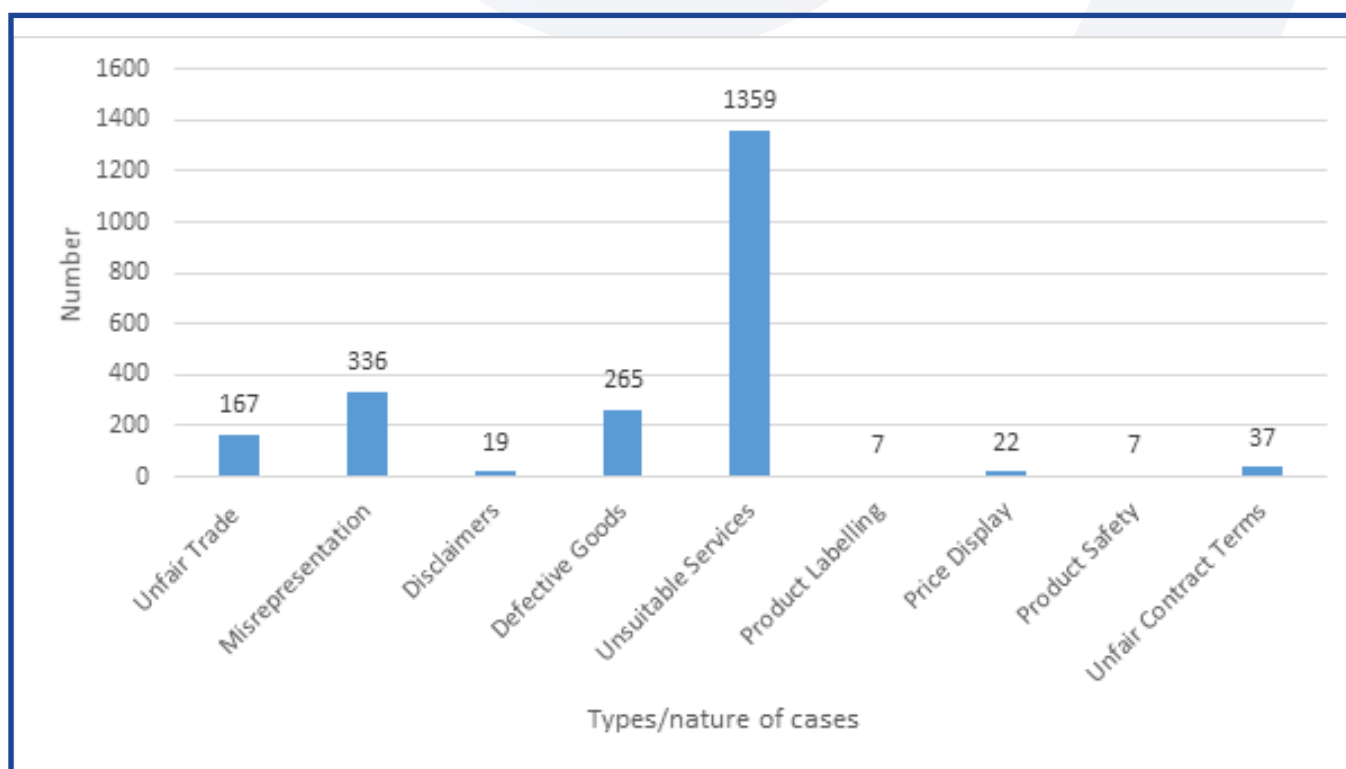
CONSUMER PROTECTION (continued)

transactions.



► The graph below shows the percentages of complaints handled by sector.

The most prevalent provision was on unsuitable services, which accounted for 1,359 out of the total of 2,219 provisions; representing 61.24% of all the provisions reported. This was followed by the provision on misrepresentation which accounted for 336, representing 15.14% of the total provisions. The provision on defective goods followed, with 265 which represented 11.94%. The rest of the provisions represented 11.68% of the total provisions and included issues of unfair trading, display of disclaimers, product labelling, price display, product safety, and unfair contract terms.



►► The graph below shows the number of consumer complaints across various categories (by provisions).

The Commission successfully helped consumers recover four million five hundred seventy-two thousand two hundred and four Kwacha (K4,572,204) in refunds and two million one hundred ninety-seven thousand eight hundred and fifty Kwacha (K2,197,850) in replacements, repairs and re-performance of services from the various cases investigated across the country in 2023. In 2022, the Commission recovered three million two hundred fifty-eight thousand two hundred and sixty-one Kwacha (K3,258,261) in refunds and one million nine hundred twenty-two thousand eight hundred and ninety-seven Kwacha (K1,922,897) in replacements repairs and re-performance of services. Therefore, the Commission recovered a total of six million, seven hundred seventy thousand and fifty-four Kwacha (K6,770,054) in 2023 compared to a total of five million one hundred eighty-one thousand, one hundred and fifty-eight Kwacha (K5,181,158) in 2022.

►► Inspections – Compliance and Enforcement

In 2023, the Commission through its Inspectors' Project, undertook joint inspections with Local Authorities, the Zambia Compulsory Standards Agency (ZCSA), Zambia Metrology Agency (ZMA), Ministry of Health (MOH), Ministry of Agriculture (MOA), Zambia Police Service (ZP) and the Zambia Revenue Authority (ZRA) and one thousand five hundred fifty-seven (1,557) trading premises across the country were inspected. Goods worth two hundred eighty thousand, one hundred and four Kwacha (K280,104) were seized for not meeting the provisions of the Act or the Food Safety Act No. 7 of 2019. This was an increase from the one thousand four hundred one (1,401) trading premises that were inspected in 2022 wherein goods worth nine hundred eighty-nine thousand and sixty-eight Kwacha (K989,068) were seized. The drop in the value of goods seized can be attributed to the fact that there were no large warehouse/wholesale seizures in 2023. The goods seized were either expired, improperly labelled, dented, contaminated or had damaged packaging. Thus, the seized goods were destroyed by the respective local authorities in the districts. Inspections are a tool for the Commission to proactively deal with matters such as those relating to the sale of expired goods, product labelling, and display of disclaimers. In addition, the inspections previously conducted also helped raise awareness and compliance to the relevant laws amongst traders.

►► The table below shows the highlights of the inspections and seizures conducted:

Quarter	Inspections and Recoveries – 2023
First	156 trading premises were inspected in 5 districts and goods worth K6,605 were seized for not meeting the provisions of the Act or the Food Safety Act No. 7 of 2019. The inspections were held jointly with Local Authorities, ZMA and ZCSA. The inspections were conducted in Kabwe, Kasama, Chilanga, Mongu and Mansa.
Second	411 trading premises were inspected countrywide in conjunction with the Local Authorities and goods valued at K66,279 were seized. The inspections were conducted in Kalumbila, Mushindamo, Solwezi, Kapiri Mposhi, Mungwi, Luwingu, Mporokoso, Mansa, Mwense, Chembe, Chinsali, Mufulira, Masaiti, Mongu, Livingstone, Chilanga and Kafue. The Commission also conducted a joint inspection with ZRA in Kasama.

CONSUMER PROTECTION (continued)

Quarter	Inspections and Recoveries – 2023
Third	<p>277 trading premises were inspected countrywide in conjunction with the Local Authorities and goods valued at K53,154 were seized. The inspections were conducted in Solwezi, Kitwe, Mansa, Samfya, Mwansabombwe, Nakonde, Isoka, Serenje, Mkushi, Chongwe, Lusaka, Kalabo and Sikongo.</p> <p>The Commission also inspected 558 trading premises countrywide under the Inspectors' Project and goods valued at K64,038 were seized. The inspections were conducted in Chavuma, Mwinilunga, Kalumbila, Chililabombwe, Chingola, Chembe, Nchelenge, Mwense, Samfya, Mungwi, Mporokoso, Luwingu, Kanchibiya, Mafinga, Kabwe, Mumbwa, Luano, Chipata, Katete, Lundazi, Sinazongwe, Kalomo, Kazungula and Mwandi.</p> <p>Further the Commission joined an inspection by Mansa Municipal Council and ZCSA in Mansa in which 30 outlets were inspected and goods worth K5,700 were seized.</p>
Fourth	<p>125 trading premises were inspected countrywide in conjunction with the Local Authorities and goods valued at K84,326 were seized. The inspections were conducted in Solwezi, Kasama, Kabwe, Lusaka, Chipata, Sioma, Senanga and Mongu.</p> <p>The Commission also joined an inspection by the ZCSA and the Ministry of Agriculture in Mansa in which 5 outlets were inspected. No goods were seized.</p>

► Education and Advocacy

With a newfound emphasis on the private sector as a major driver of economic growth and development, the Commission elected to revamp the engagement of industry players and the general public through its education and advocacy program using popular virtual platforms such as Zoom and Microsoft Teams, Facebook, Twitter and LinkedIn and where possible physical training sessions to enhance compliance. Enterprises that were engaged included ZANACO, IHS Zambia, First National Bank (FNB), Atlas Mara, Zamtel, Members of the Poultry Association of Zambia, Young Phiroz General Dealers and Builders Warehouse among others. Priority had been given to sectors with a high potential to engage in conduct that was likely to be inconsistent with the Act. The Commission had also through its School Clubs, continued to engage pupils by incorporating them into activities such as inspections, essay writing competitions and radio programs. The activities were used as a communication tactic in promoting a competitive and consumer protection culture among pupils who are conduits of information sharing.

LEGAL AND CORPORATE SERVICES

KEY STRATEGIC OBJECTIVE:



► Prosecution and litigation of cases

On 22nd December 2023, the President of the Republic of Zambia, Mr. Hakainde Hichilema gave the people of Zambia a Christmas gift when he assented into law the Competition and Consumer Protection (Amendment) Bill, 2023; bringing into force the Competition and Consumer Protection (Amendment) Act No. 21 of 2023, which will be read side by side with the 2010 Law.

The amendments to the law are aimed at enhancing the maintenance of acceptable levels of competition in the market. This Act will enhance the competition and consumer welfare legal framework which will better equip the Commission to address challenges in the economic landscape occasioned by developments and advancements in trade. It will further foster regional integration through the enforcement of the COMESA Competition Regulations 2004, which have through the said amendment been domesticated and now form a part of Zambia's Competition and Consumer Protection Law.

The amended Act will provide mechanisms to deal with unconscionable conduct by traders, such as price gouging, selling goods and services that are below acceptable quality, engaging in conduct that defies good conscience and is harsh, unfair or oppressive to consumers. This provision will help the country in times of public emergencies akin to the cholera epidemic, or the Covid-19 Pandemic, by aiding the effective curbing of unfair pricing of products. The Commission is now empowered to investigate unjustifiable price adjustments which previously could only be dealt with under abuse of dominance, which excluded most of the small businesses that fell below the required dominance threshold. As such, no business will take advantage of unfortunate situations to make supernormal profits.

LEGAL AND CORPORATE SERVICES (continued)

Further, the Act addresses issues relating to the movement of core company assets out of the country. Previously, the country suffered an erosion to its industrial base as companies freely moved essential production equipment out of the country, rendering our country's industrial base uncompetitive. By this amendment, businesses are now obliged to seek authorisation to move equipment out of the country, and in the event they do not, a fine of up to 10% of their annual turnover will be imposed.

Another key issue that has been brought to the fore by this amendment is the revision of Section 47 of the Principal Act by providing for a refund option to consumers who suffer from false and misleading representations with regard to the supply of goods and services. Further, Section 52 of the Principal Act has been amended to prohibit the supply and sale of expired products and goods that have exceeded their shelf life. Another important provision to note in the amendment Act is the selling of goods and service in the legal tender of the Republic, therefore, enterprises will be required to price their products and services in Kwacha.

In 2023, the Commission handled a total of forty seven (47) cases. From the forty-seven cases, forty-one (41) were before the Competition and Consumer Protection Tribunal ("the Tribunal"). Of the cases before the Tribunal, twenty-seven (27) were pending continued hearing whilst thirteen (13) were pending delivery of judgment. One (1) case was concluded, and judgment delivered.

►► Cases before the Tribunal

One of the cases before the Tribunal involved the Information Communication University (ICU), in which matter the consumer had paid tuition fees for a Master's Degree Program that was not accredited by the Higher Education Authority. ICU refused to refund the tuition fees: ICU was ordered to refund the consumer and additionally a fine of 0.5% of their annual turnover was imposed. In another case, against Humkel Medical Scheme, the complainant noticed that the medical scheme was deducting more than the agreed premium. The Tribunal ruled that the complainant be refunded the excess of the amounts paid.

►► Cases before Courts

Six (6) cases were before the Courts of Law, of which five (5) were before the High Court and one (1) was before the Court of Appeal.

The High Court for Zambia passed a judgment in favour of the Commission and against Mary Carlos Events in a matter where the latter appealed against a Judgment of the Tribunal ordering them to refund a consumer. In that case, the consumer had paid to hire the premises of Mary Carlos Events for a wedding Ceremony but had cancelled the booking. Mary Carlos Events refused to refund the consumer the deposit of the booking fee in the amount of one thousand eight hundred kwacha (K1,800).

On the other hand, the Court of Appeal passed Judgment in the case against Zambia Airports Corporation stating that the proper forum for launching an Appeal from the Tribunal was the High Court for Zambia. This will no longer be the case, as following the amendment to the Act, Appeals from the Tribunal will lie with the Court of Appeal.

►► Debt Recovery

During the period 1st January 2023 to 31st December 2023, eight million six hundred forty-two thousand one hundred ninety-four-kwacha sixty-one ngwee (K8,642,194.61) was collected in fines from twenty-four erring enterprises. Twenty-two (22) of these paid their fines in full whilst one (1) enterprise defaulted.

LEGAL AND CORPORATE SERVICES(continued)

Further, the Subordinate Court entered a Judgment in Default against Meanwood Property Development Limited in a matter where the Commission had commenced proceedings to recover an unpaid fine of seventy-six thousand eight hundred twenty-three Kwacha (K76,823). This demonstrates various avenues available to the Commission to enforce Board directives and ultimately ensure consumer protection.

At the end of the period under review, another twenty-five (25) enterprises were yet to submit their audited books of accounts, requisite for ascertaining payable fines.

INSTITUTIONAL DEVELOPMENT



Human Resource and Administration Department



Finance Department



Executive Director's Department

- Internal Audit
- Procurement
- Research and Education
- Public Relations

KEY STRATEGIC OBJECTIVES:

- ☉ High performing market regulator
- ☉ Review and Strengthen the Governance and Oversight Functions
- ☉ Improve quality of Research, Development and Advocacy
- ☉ Improve the provision of Corporate Affairs Services
- ☉ Enhance capabilities and performance of Staff

INSTITUTIONAL DEVELOPMENT (continued)

▶▶ *Audit and Risk**Strengthen Governance and Internal Controls*

The Internal Audit Unit continued providing assurance services to the Commission in 2023 by addressing control environment issues faced by the institution and providing feasible and practical solutions to strengthen the internal control environment. To achieve the objectives of risk-based auditing, internal audit's key approach was to take integration considerations and the flexibility to deliver value, based on context and the most imperative objectives and risks facing the Commission, departments, or processes.

In 2023, nine (9) planned provincial offices and six (6) Head Office audit reviews were undertaken to ascertain the efficiency and effectiveness of resource utilisation, check compliance with policies and procedures, laws, and regulations, verify whether assets were safeguarded, determine the accuracy of financial/management reporting and to obtain reasonable assurance on whether controls and governance processes as designed by Management were adequate, robust, and operational.

External Auditors, Mark Daniels Chartered Accountants were appointed to provide external assurance up to the end of 2025 through financial reviews to ascertain whether the financial statements give a true and fair view of the operations of the Commission, its assets and liabilities.

▶▶ *Operational Risk Management*

The Commission continued to enhance risk awareness and enterprise performance through integrating Governance, Risk and Compliance across all functions in the institution. This approach has enabled Members of staff from the lowest level to become observant, alert and able to report timely, any risks identified.

Risk Management has continued to be dynamic with new risks emerging at the speed of light with the developing of new technological advancement changing the way things are done.

The Commission continues to be exposed to strategic and operational risks, which if not well

managed, may result in disastrous consequences. To mitigate these risks, the Commission has developed a risk framework which informs how the risk management process is to be conducted, from establishing the organizational context, and objective setting, to identification of risks and consideration of the likelihood and impact of identified risks as well as putting up a plan of activities which contribute to the treatment of risk and thus increase the likelihood of achieving objectives and positive outcomes.

Among the operational risks identified include those relating to delayed funding, inadequate transport to carry out certain activities, high staff turnover, delayed receipt of some fines as well as lack of internal electronic equipment testing experts. Despite these risks, the Commission continually monitors risks to ensure that they are adequately mitigated.

▶▶ *Research*

The Commission continued to review markets through research and inquiries in order to identify potential anti-competitive or unfair trade practices in targeted sectors. In addition, the Commission intensified its educational activities to stakeholders particularly through enterprise training. Further, the Commission continued to participate in the planning and evaluation processes for the country's developmental activities through quarterly reports to the Ministry of Commerce, Trade and Industry and also participated and contributed to regional and international fora and conferences.

▶▶ *Market Inquiry into the Pay Television Sector*

Following numerous concerns from consumers regarding the non-availability of the Zambia National Broadcasting Corporation (ZNBC) channels when out of pay TV subscription, perceived high subscription fees and repeat content, the Commission initiated a market inquiry in order to obtain a better understanding of the pay television services value chain, assess competition, and evaluate consumer protection measures. The Inquiry findings revealed that the market had complications due to the manner in which the Digital Migration Policy (DMP) was implemented.

INSTITUTIONAL DEVELOPMENT (continued)

The sector has two signal distributors indirectly involved in content provision contrary to the spirit of the DMP. The sector lacked a clear characterisation and definition of “free-to-air” channels which were supposed to be accessed by consumers for free but were not. Signal distributors had limited capacity while onboarding of content providers was largely based on commercial considerations to the detriment of non-revenue generating content providers. Exclusive content arrangements created a vicious cycle, those with access to exclusive content attracted subscriptions and in turn passed on the cost to consumers. The inquiry recommendations included the need to revise the DMP to create a comprehensive policy position with clear delineations and legal support to establish a firewall between signal distributors and content service providers, a need to define the character of the five mandated free-to-air content in the DMP and their distribution and ensuring appropriate mechanisms for consumer protection from unfair pricing as well as implementation of revenue-sharing mechanisms to prevent unfair trading practices for content service providers.

► Study on MSMEs’ Access to Markets in Zambia

Small and Medium Enterprises (SMEs) continue to play a pivotal role in economic growth and job creation. However, their growth continues to be affected by factors that include Government regulations, capacity constraints and access to markets among others. In order to determine the peculiar factors that affected SMEs, the Commission carried out a study focusing on identifying competition issues that affected SMEs during their startup to take off phases, examining the nature, types, and sources of competition concerns, including policy and legal challenges. Findings indicated that regulatory factors, operational costs, and utility expenses played a crucial role in shaping the market environment for SMEs with 10% to 15% operational costs attributed to statutory payments such as trading and other license fees, as well as labour cost obligations. Utilities, especially electricity costs, were identi-

fied as a significant factor affecting SMEs’ ability to achieve meaningful returns on investment. The study also found that there was low popularization of partnership models of business with many sole traders preferring to operate alone from start-up capital borrowed from friends and relatives. Recommendations include the need to (i) popularise and incentivise the partnership model of business start-up as a way to pull resources and reduce risks (ii) review laws specially the National Pension Scheme Act and the Employment Code Act as they increased the cost of doing business (iii) review trading and licence fees to ensure they were business friendly as well as sensitise the SMEs to report incidences of market access failures to the Commission.

► Monitoring and Evaluation of Commission Client Feedback Survey

Client Feedback Survey, a survey administered quarterly in all the Commission’s ten (10) provincial offices, finds its roots in the 2022-2026 Commission Strategic Plan, showcasing its strategic alignment. The survey used physical questionnaires that were administered to walk in clients. The survey also employed google forms to capture as many clients as possible. The Commission out of an estimated 3,500 respondents received favourable feedback from its respondents. The survey revealed that the Commission’s staff were perceived to respond to client queries in an excellent manner, having a positive attitude, polite, knowledgeable and helpful. Further, the survey also disclosed that clients mostly heard about the Commission mainly through their interactions with friends. Despite a favourable response from clients, the Commission has continued to explore ways in which it can achieve a higher client participation rate such as intensified sensitization activities, including social media, SMSs, enterprise training, newspapers, radio, TV and Chieftdom sensitizations to reach as many people as possible.

INSTITUTIONAL DEVELOPMENT (continued)

►► Local collaborations

National Financial Inclusion Strategy (NFIS) II

During National Financial Inclusion Strategy (NFIS) 2017 to 2022 implementation, continued efforts were made to improve financial consumer protection by enhancing coordination between financial regulators (BOZ, PIA, and SEC), ZICTA, and the Commission. Three key areas were addressed during the NFIS I implementation: Disclosure and transparency, Dispute resolution, and Business Practice. However, there were remaining actions from the NFIS I to be carried over to the NFIS II to enhance collaborative efforts, including issuing shared policies or procedures for financial consumer protection. The National Financial Inclusion Strategy (NFIS) II (2024 to 2028) was scheduled to be launched in 2024. The NFIS II implementation has also been aligned to the Commission's role on improving financial consumer protection, education and financial literacy as a cross-cutting area. This is aimed at fostering positive changes in the financial sector landscape, with the Commission actively contributing to its implementation.

International collaborations

The Commission maintained its regional and international involvement by collaborating with institutions such as the COMESA Competition Commission (CCC), African Competition Forum (ACF), Southern African Development Community (SADC) Mergers Working Group, United Nations Conference on Trade and Development (UNCTAD), International Competition Network (ICN), and the International Consumer Protection and Enforcement Network (ICPEN). Affiliated with numerous international bodies focusing on competition and consumer protection, the Commission actively participated in research studies, attended various virtual meetings, teleconferences, webinars, responded to numerous questionnaires, and hosted workshops.

World Consumer Rights Day

On March 15th, 2023, the Commission observed

World Consumer Rights Day, focusing on the theme "Empowering Consumers Through Clean Energy Transitions." The commemoration included various activities, including a virtual conference live-streamed on Facebook, radio and television programs, and an exhibition held at Lusaka's Levy Junction Mall in collaboration with other institutions under the National Organising Committee (NOC). Furthermore, students under the CCPC School Clubs participated in a National Essay Writing Competition as part of the World Consumer Rights Day Activities.

School Club Engagements

The CCPC School Clubs play a vital role in advancing public consumer education on market rights and responsibilities. Since 2015, the Commission has been actively implementing School Club initiatives in numerous high schools across all ten provinces of Zambia. With a track record of eight (8) years, the Commission currently oversees an estimated number of 300 active school clubs. These clubs serve as platforms to instill a culture of competition and consumer values among pupils and their communities. The initiative aims to cultivate a lasting commitment to fair trading and protection against anti-competitive practices in the younger generation. Throughout the year, school club pupils engaged in regular meetings facilitated by a dedicated teacher, referred to as the patron or matron. They also participated in various activities such as radio programs, inspections of trading places, and a nationwide essay competition during the World Consumer Rights Day.

Public Relations

The Commission undertook to realign its Communication Strategy by conducting activities aimed at increasing awareness from 40% in 2022 to 85% in 2026 as envisaged in its 2022 - 2026 Strategic Plan. This enabled the Commission to market its services to different stakeholders and increase visibility, create trust with consumers as well as to improve brand awareness and recognition. To achieve this deliverable, the Commission focused on strengthening and enhancing public

INSTITUTIONAL DEVELOPMENT (continued)

awareness by engaging with the media to communicate important corporate messages on the Commission's enforcement actions including its roles and responsibilities in promoting competition and consumer welfare in Zambia.

Increase the Commission's Visibility

In 2023, the Commission delivered a range of targeted and general information campaigns on its website (www.ccpc.org.zm) and social media channels (Facebook, Twitter and LinkedIn). These platforms enhanced consumer interaction and have had respective increment in followers from twenty-three thousand eighty-nine (23,089), two thousand nine hundred ninety-nine (2,999) and one thousand two hundred forty-eight (1,248) to twenty-five thousand eighty-nine (25,089), three thousand two hundred and nine (3,209) and two thousand seventy-eight (2,078) for Facebook, Twitter and LinkedIn accounts.

Media Relations

In 2023, the Commission proactively issued seven (7) media releases covering a range of topics. Commission news that dominated the media included recalls of unsuitable products, directed or forceful selling of school items, fining of firms as well as Provincial Inspections and product seizures among others. In a quest to raise awareness on competition and consumer protection issues up to 85% by 2026, from 40% in 2022, the Commission aired a total of four (4) adverts on Radio Delight in Chinsali. The adverts were aimed at raising awareness on anti-competitive and unfair trading practices in Zambia. In terms of media presence, the Commission featured seventeen times (17) on three radio stations namely; Radio Delight (1), Feel Free Radio (13), One Love Radio (1), and Lutanda Radio (2), in both English and local languages, aimed at raising awareness on consumer rights. One (1) Media release with information on the Commission operations was circulated, and two in-house media briefing events were conducted.

Newsletters

As a distinct tool used to explain the Commission's work delivery and how its outcomes benefit consumers, the bi-annual newsletter was produced and circulated to various stakeholders electronically, and in hard copy. The circulation of the Commission's bi-annual newsletter was done only once in 2023.

The Commission distributed to its stakeholders a total of one thousand nine hundred seventy (1,970) assorted Information Education Communication (IEC) materials with messages on understanding contract terms, financial literacy as well as consumer rights and obligations, among others. The IEC materials distributed included posters, bookmarks, and brochures on cartelistic conduct, merger control regulation, consumer rights, and financial consumer protection in the digital era, among others.

Participating in Local Fairs and Exhibitions

The Commission participated in the Zambia International Trade Fair in Ndola, Commercial and Agriculture Show in Lusaka, and the Provincial Trade and Investment Exposition in Western Province. These platforms accorded the Commission an opportunity to enhance its visibility through interaction with business houses and individual consumers.

Human Capital

The Commission believes that its greatest asset lies in its people, its staff members. Therefore, investing in their growth and development is a top priority. During 2023, the Commission implemented a comprehensive staff capacity development program designed to equip employees with the skills and knowledge needed to excel in their roles and contribute to the Commission's overall success.

INSTITUTIONAL DEVELOPMENT (continued)

Key Initiatives:

- **Technical Skills Training:** Recognizing the evolving needs of our mandate, the Commission partnered with COMESA Competition Commission, and other regional and international competition authorities to provide its technical staff with hands-on training on the latest investigative techniques.
- **Soft Skills Enhancement:** A series of workshops on communication, conflict resolution, and time management, with a focus on improving teamwork and collaboration across departments was offered to all members of staff.

Impact and Outcomes:

During the period under review, investment in staff capacity development yielded significant results as shown below:

- **Improved employee engagement and satisfaction:** Employees feel valued and empowered to grow, leading to a more positive and productive work environment.
- **Enhanced skills and knowledge:** The workforce is better equipped to handle complex tasks and adapt to new challenges.
- **Increased efficiency and productivity:** Improved skills and teamwork have led to faster case handling and reduced costs.
- **Stronger talent pipeline:** By investing in employee development, the Commission aimed to build a strong internal talent pipeline for future leadership positions.

Looking Ahead:

The Commission remains committed to continuous improvement, and is focused on providing employees with the best possible development opportunities. In the coming year, the Commission plans to:

- Expand its leadership development program to include both middle and senior management.
- Offer specialized training programs tailored to specific departments and roles.

By continuously investing in staff capacity development, the Commission is confident that it will remain a leader in competition and consumer law, attracting and retaining top talent, and achieving sustainable success.

Training and Capacity Building

The Commission continued to support staff development based on the premise of creating opportunities for employee growth which would in turn benefit both the employee and the Commission as a whole. In 2023, fostering a culture of continuous learning through a dynamic and impactful training program was prioritised. As such, the Commission trained forty-three (43) Investigators in investigative processes which included identifying assessment elements; advocacy and interviews; evidence handling and research.

In 2023, the Commission participated in the second Africa-EU Competition Week workshop and conference that took place in Bruges, Belgium. This Workshop focused on investigative processes such as how to best collect/organise evidence and information in abuse of dominance and merger cases.

Further in 2023, the Commission participated in a virtual (online) workshop facilitated by the International Competition Network - Unilateral Conduct Working Group. The workshop was aimed at sharing experiences in cases of abuse of dominance and assessing where certain legislation could be changed or improved in order to enhance abuse of dominance regulations and investigations.

During the same year, the Commission participated in the case handlers' workshop that was facilitated by the COMESA Competition Commission in collaboration with the United States Federal Trade Commission in Lusaka, Zambia. The aim of the workshop was to build the capacity of the case handlers in the COMESA Member States and enhance their ability to effectively investigate cases.

In addition, in 2023, the Commission participated in the Regional Capacity Building Workshop on

INSTITUTIONAL DEVELOPMENT (continued)

Competition Policy and Law for COMESA Member States which was held in Nairobi, Kenya, and was facilitated by the COMESA Competition Commission in collaboration with the African Continental Free Trade Area Secretariat. The workshop focused on case handling in the digital economy, specifically for mergers and abuse of dominance cases. In addition, the Commission attended a virtual webinar on 'tying and bundling in the digital era' which was facilitated by the International Competition Network - Unilateral Conduct Working Group. This webinar aimed to share experiences regarding tying and bundling in the digital era and to assess the economic and legal issues behind contemporary tying and bundling cases.

Recruitment

In 2023, the Commission implemented a strategic recruitment initiative designed to identify and hire the best individuals to fuel its continued growth and success. A total of twelve (12) new employees were recruited and inducted. The induction was conducted to help the new employees appreciate their role and their strategic fit at the Commission. Induction also conveyed the Commission's high-performance culture and values to them.

Performance Management

Performance management is essential to building a workforce of excellence required to achieve the set-out goals and objectives of the Commission. Effective performance management is based on a strong performance culture and a healthy workplace ecosystem, supported by individual and management capabilities and accountabilities.

The Commission has since 2016, when it was accredited with High Performance Organisation status, continued to mainstream it in everyday work activities. Areas of focus continued to be employee quality; management quality; long term planning and orientation; openness and action oriented; and continuous improvement.

As new employees joined the Commission, they

were oriented into the high-performance work culture so that they are aligned to the expected high-performance standards.

Bi-annual performance assessments were done for all employees and the average performance score for the year 2023 was eighty seven percent (87%).

In 2023, the Commission particularly embraced a performance management philosophy and focused on the following:

- **Benchmark Setting:** The SMARTA goal-setting practices were implemented, ensuring that individual objectives aligned with departmental and organizational goals. This fostered a sense of shared purpose and direction within the workforce.
- **Recognition and Rewards:** The acknowledgement and celebration of achievements through a transparent and fair reward system. This motivated employees, fostered a culture of high performance and reinforced valuable behaviours.

The Commission will continue to refine the performance management practices so as to foster a culture of accountability, growth, and shared success.

Employee Satisfaction Survey

The Commission conducted an Employee Satisfaction Survey to get a better understanding of how happy employees were at the Commission. Further, the Commission Management sought to understand the challenges the employees may be facing and address any such challenges to ensure optimal performance and employee retention.

Health and Wellness

The Commission recognizes that healthy employees that are both physically and mentally sound are productive individuals who are critical in the attainment of the set objectives of the institution. In the period under review, the Commission organised wellness talks on various topics of interest, such as:

INSTITUTIONAL DEVELOPMENT (continued)



The Executive Director Mr. Brian M Lingela presenting a labour day award to Lusaka Provincial Investigator Mrs. Faith Tembo. Looking on is the Director HR and Administration, Mrs. Beene Siyumbwa.

- Road safety
- Mental health covering managing anxiety, stress, depression and anger.
- Financial literacy under the theme “*plant your money, plant your future*”.
- Non-Exercise Activity Thermogenesis (NEAT)
- Sleep health and
- Communicable diseases.

These wellness talks resulted in employees maintaining a healthy lifestyle and improving their overall health and general well-being.

► Commemoration of International Days

Women’s Day

The Commission commemorated the International Women’s Day (IWD). The 2023 IWD was celebrated under the theme “**Gender equality today for a sustainable tomorrow**”. This theme emphasized the urgent need to achieve gender equality in various spheres of life to ensure a more sustainable and equitable future for all. The Commission together with other statutory bodies participated in awareness activities that took place in Chongwe and Kafue district on 9th and 10th March 2023 respectively. The Commission

celebrated the social, economic, cultural and political achievements of women in Zambia.

Labour Day

Furthermore, the Commission participated in the Labour Day Awards Ceremony, during which nine (9) members of Staff received recognition as the Most Hardworking employees. Acknowledging and rewarding diligent employees served as a significant motivational factor and functioned as an effective retention strategy.

Africa Public Service Day

The Commission joined the rest of Africa to commemorate the 2023 Africa Public Service Day Celebration hosted under the theme: “**Transforming the Public Service for Service Excellence and Realization of the African Continental Free Trade Area (AFCFTA)**”. The commemorations included exhibitions and public discussions by various Government Ministries and Statutory Bodies from 20th to 23rd June 2023.

Sixteen (16) Days of Activism Against Gender Based Violence (GBV)

The Commission actively participated in the Sixteen (16) Days of Activism Against Gender-Based

INSTITUTIONAL DEVELOPMENT (continued)

Violence (GBV) observed from 25th November to 10th December 2023 under the theme **“You are safe at Work, Home and School”**. The objective was to raise awareness regarding the significant impact of GBV at employee level. Victims of GBV suffer not only from physical and mental effects but also face challenges such as loss of earnings, decreased productivity, and increased healthcare costs.

► Integrity Committee

The Integrity Committee (IC) was established at the Commission in accordance with Anti-Corruption Act No. 3 of 2012 and Clause 7.2.6 of the National Anti-Corruption Policy in 2020. The IC was established with the primary responsibility of spearheading the prevention of corruption and related malpractices and/or maladministration.

In 2023, in line with the Annual Corruption Prevention Action Plan (ACPAP), the IC undertook several activities to ensure the prevention of corruption and related malpractices. The activities conducted were as indicated below:

- Appointed and trained five (5) new IC members for the period of three years from 2023 to 2026. The total number of the IC members has been increased from 5 to 10. The increase in number was in an effort to enhance efficiency of the IC arising from the number of activities that the IC is supposed to undertake.
- Revised the Code of Conduct Policy.
- Conducted a mid-year performance review with Anti-Corruption Commission (ACC) to keep track of the progress made and the impact of the activities undertaken by the IC.

- Facilitated various sensitization talks to members of staff which included but were not limited to Gift and Benefits Policy, Procurement Policy, Whistle Blower Policy and Conflict of Interest Policy. These policies were distributed to the Commission's members of staff for ease of reference.
- Conducted quizzes to assess awareness levels amongst members on governance documents and integrity matters.
- Held collaborative meetings with other ICs from other institutions for information sharing and benchmarking.
- Developed the 2024 Annual Corruption Prevention Action Plan (ACPAP) outlining activities to be undertaken in year 2024.
- Participated in the Chief Executive Officers (CEOs) Integrity Forum in November 2023 facilitated by ACC and hosted by the Secretary to the Cabinet.

Integrity Awards

The Anti-Corruption Commission (ACC) Director General's Award of K2,500.00 was given to Mr. Chester Njobvu, Chief Investigator Restrictive Business Practices, for refusing to take a bribe in a cartel case under investigation which would have lost the Republic of Zambia at least K120,000,000.00. The award was presented by the Secretary to the Cabinet, Mr. Patrick Kangwa, and the ACC Director, Mr. Thom Trevor Shmakamba at the Chief Executives Forum held at Mulungushi International Conference Centre on 22nd November 2023.

INSTITUTIONAL DEVELOPMENT (continued)

► Corporate Social Responsibility (CSR)

The Commission through an initiative financed by Members of Staff has a Corporate Social Responsibility (CSR) programme whose aim is to make a difference in the communities in which they live and work. The aim of the CSR programme is to empower the poor and vulnerable in society and ensure that their lives become purposeful. In the period under review, the Commission donated assorted goods to Providence House Orphanage in Makeni area of Lusaka. Further the Commission sponsored Ms. Esther Chisenga to train in Fashion Design and Textile Technology at Isoka Trades.



The Commission donates assorted goods to Providence House Orphanage in Lusaka's Makeni area

KEY CHALLENGES, OPPORTUNITIES AND RECOMMENDATIONS

► CHALLENGES

High Staff Turnover

The Commission has continued losing experienced employees to sector regulators who have consumer protection mandates and pay better. The Commission has engaged the Emoluments Commission to revise the conditions of service to make them more competitive.

Information Technology (IT) Infrastructure

The Commission's IT Infrastructure continued to be inadequate and obsolete and this affected the workflow for some members of staff.

Inadequate Transport

Transport inadequacy adversely affected the Commission's operational capacity due to inadequate vehicles required for outreach programmes such as public sensitizations, research studies, inspections and investigations among others. The Commission has continued to lobby for an upward increment in its budget to address this challenge.

Lack of Economic Data Availability

The Commission continued to work closely with other sector regulators and the Zambia Statistical Office to meet its data needs. The private sector had also been encouraged to keep data and information in order to assist in informed decision making.

Loan for the Commission's Office Building

The Commission obtained a K10 million loan facility to co-fund the purchase of its head office premises. Loan repayments affected the budget and the operations of the Commission. The loan facility was scheduled to be re-paid over a period of 10 years. The Government paid this loan in February 2024.

► RECOMMENDATIONS

Adequate Funding

Due to increasing economic activity and corresponding expansion of the Commission, there is need to ensure that the Commission is adequately resourced in order to prevent the erosion of gains that had accrued to the country from the benefits of competition and consumer protection.

Information Technology Investment

The Commission is encouraged to continue to pursue its digitalisation program through the support of Government through the Smart Zambia Institute and other willing cooperating partners.

Redemption of the Loan on Building

The Commission engaged Government on the possible early repayment of the K10 million co-financing loan obtained for the procurement of the building in order to free financial resources to other needy areas. The Government re-paid this loan in full in February 2024 which will free up some of the financial resources in the future years.

► OPPORTUNITIES

Online and Social Media

The Commission has now developed a Mobile Phone Application that allows Consumers to report various Cases to the Commission. The APP also enables applicants to initiate the application process of various agreements by Companies.

The Commission plans on further enhancing the mobile application by extending it to USSD function. This will enable users without smart phones to submit Cases, mostly Consumer related Cases.

Interface with Sectorial Regulators

The Commission utilised constant interfacing

KEY CHALLENGES, OPPORTUNITIES AND RECOMMENDATIONS (continued)

with sector regulators to leverage their respective competences which are key to promoting fair markets in Zambia. Such interactions contributed to better coordination, strengthened already existing collaborations with other sector regulators and increased the Commission's levels of communication and information sharing with stakeholders.

Case Management System

The Commission's Case Management System has worked well for the past year. Case Officers are able to track cases more efficiently and effectively. The system provides Case Officers with various details that help them to make informed decisions when processing Cases.

In the period of January 2023 to December 2023, a total of 1903 Cases were logged into the Case Management System. These include Consumer Protection, Mergers and Restrictive Business Practices Cases.

Cooperation with Smart Zambia Institute

The Commission has started collaborating with Smart Zambia Institute to further enhance its ICT systems. During this period, the Commission migrated all its 9 provincial offices to the Government Wide Area Network (GWAN). The Commission plans to integrate its Case Management System with the Government Service Bus (GSB) developed by Smart Zambia Institute. The Government Service Bus (GSB) will bring on board extra features, which, user identity verification, data exchange with other government institutions like PACRA, and a payment gateway.

These enhancements will translate into a more robust ICT infrastructure, and a reduction in recurring costs for Internet services.

Commission Office Premises

The Commission procured new office premises located in Lusaka's Olympia Park area, at Stand No. 3827 on Parliament Road in April 2021. The procured premises are expected to lessen the operational challenges faced by the Commission as

a result of using rented office premises. This will also improve the asset base of the Commission. The new offices will also be easily accessible by complainants. The shifting of offices will happen in 2024 because the Government paid the loan in full in February 2024.

Amendments to the Act

The Amendment of the Act done in December 2023 will address current lacunae in the law, and it will also enhance regional cooperation and interaction, as well as international best practices.

The amendments to the law are aimed at enhancing the maintenance of acceptable levels of competition in the market. This Act will enhance competition and consumer welfare legal framework which will better equip the Commission to address challenges in the economic landscape occasioned by developments and advancements in trade. It will further foster regional integration through the enforcement of the COMESA Competition Regulations, 2004, which have through the said amendment been domesticated and now form a part of Zambia's competition law.

Strategic Plan

The Strategic Plan seeks to increase the efficiency of the Commission, realign its functions and automate its processes.



REPORT & FINANCIAL STATEMENTS

For the year ended **31 December 2023**

Competition and Consumer Protection Commission
For the year ended 31 December 2023

CORPORATE INFORMATION

Nature of business and principal activities

The Commission was established under the Competition and Consumer Protection Act, 2010 and its principal activities are to safeguard, promote competition and protect consumers against unfair trade practices.

The Commissioners who held office during the year were:

Ms Angela B. Kafunda
Mr Fredrick Imasiku
Mr Stanford G. Mtamira
Mr Sikambala M. Musune
Mr Emmanuel M. Mwanakatwe
Mrs Sambwa S Chilembo
Mr Brian Lingela

Chairperson
Vice Chairperson (Resigned on 28 August 2023)
Member
Member
Member
Member (Resigned on 28 August 2023)
Executive Director/ Ex Official

SENIOR MANAGEMENT OFFICERS

Mr. Brian Lingela
Mrs. Eunice Hamavhwa
Mr. Patrick Chengo
Mrs. Maureen Banda Mwanza
Mrs Beene Shadunka Siyumbwa
Mr Vestus Chungu
Mrs Luyamba Mpamba Kapembwa

Executive Director
Director Consumer Protection
Director Restrictive Business Practices
Director Legal Services
Director Human Resource and Administration
Director Finance
Director Mergers and Monopolies

Registered Office and Principal Place of Business

The address of its principal place of business is:
4th Floor Main Post Office, Cairo Road
P O Box 34919
Lusaka, Zambia

Bankers

Atlas Mara Bank Zambia
Investrust Bank Plc

Auditors

Mark Daniels
CHAZ Complex
Plot No.2882/B/5/10
Third Floor, Suite F3-10/F3-11
Off Great East Road
Mission Drive, Waters
Lusaka

COMPETITION AND CONSUMER PROTECTION COMMISSION
Report and Financial Statements
For the year ended 31 December 2023

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COMPETITION AND CONSUMER PROTECTION COMMISSION

Commissioners' Report

For the year ended 31 December 2023

The Commissioners submit their report together with the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of the Commission.

PRINCIPAL ACTIVITIES

The Commission was established under the Competition and Consumer Protection Act, 2010 and its principal activities are to safeguard, promote competition and protect consumers against unfair trade practices.

PRINCIPAL PLACE OF BUSINESS

The address of its principal place of business is:

4th Floor Main Post Office, Cairo Road

P O Box 34919

Lusaka, Zambia

OPERATING RESULTS

	2023 ZMW	2022 ZMW
Total Income	42,725,981	41,583,281
Surplus of income over expenditure	4,786,942	168,757

The surplus of income over expenditure for the year has been added to the accumulated fund.

NUMBER OF EMPLOYEES AND REMUNERATION

The total remuneration of employees during the year amounted to ZMW 30.9 Million (2022: ZMW 34.7 Million). The number of employees during the year were 90 (2022: 86).

The Commission recognises its responsibility regarding the occupational health, safety and welfare of its employees and has put in place measures to safeguard them.

GIFTS AND DONATIONS

During the year the Commission did not make donations to any organisation (2022: ZMW Nil).

PROPERTY AND EQUIPMENT

The Commission acquired property and equipment amounting to ZMW 193,763 during the year (2022: ZMW 116,837). In the opinion of the Commissioners, the carrying value of property and equipment is not less than its recoverable amount.

COMPETITION AND CONSUMER PROTECTION COMMISSION

Commissioners' Report

For the year ended 31 December 2023

FEES, PENALTIES AND FINES

Fees for mergers, acquisitions and negative clearances is revenue collected on behalf of Government of the Republic of Zambia by the Commission.

- Mergers, acquisitions and negative clearances fees for the year amounted to ZMW 25.2 Million (2022: ZMW 25.4 million).
- Fines and penalties for the year amounted to ZMW 9.0 Million (2022: ZMW 34.2 million).

AUDITORS

The auditors, Mark Daniels, were appointed as external auditors for the Commission on a three-year contract covering the years 31 December 2022, 2023 and 2024 and have indicated their willingness to continue in office.

By order of the Board of Commissioners



CHAIRPERSON
Lusaka



FINANCE CHAIRPERSON

28.03.2024

COMPETITION AND CONSUMER PROTECTION COMMISSION
Statement of Commissioners' responsibilities
For the year 31 December 2023

The Competition and Consumer Protection Act, 2010 requires the Commissioners to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Commission as at the end of the financial year and of its statement of income and expenditure. It also requires the Commissioners to ensure that the Commission keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Commission. The Commissioners are also responsible for safeguarding the assets of the Commission.

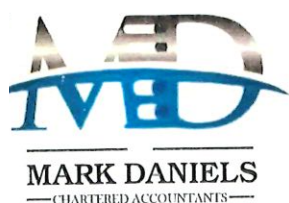
The Commissioners accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and the requirements of the Act. The Commissioners are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Commission and of its income and expenditure in accordance with International Financial Reporting Standards. The Commissioners are also responsible for such internal controls, as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Nothing has come to the attention of the Commissioners to indicate that the Commission will not remain a going concern for at least twelve months from the date of the statement of financial position.


CHAIRPERSON


FINANCE CHAIRPERSON

28.03. 2024



Audit · Advisory · Tax

REPORT OF THE INDEPENDENT AUDITORS TO THE MINISTER OF COMMERCE, TRADE AND INDUSTRY

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Competition and Consumer Protection Commission (the Commission), which comprise the statement of financial position as at 31 December 2023, and the statement of income and expenditure, statement of changes in accumulated fund and statement of cash flows for the year then ended, and a summary of material accounting policies and other explanatory notes.

In our opinion the financial statements give a true and fair view of the financial position of the Commission as at 31 December 2023 and of its financial performance and cash flows for the year ended and have been properly prepared in accordance with the International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Commissioners and Management are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Commissioners and Management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or have no realistic alternative but to do so. Those charged with Governance are responsible for overseeing the Commission's reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE MINISTER OF COMMERCE, TRADE AND INDUSTRY (CONTINUED)

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Commission to express an opinion on the financial statements.
- We are responsible for the direction, supervision and performance of the Commission's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE MINISTER OF COMMERCE, TRADE AND INDUSTRY (CONTINUED)**

Report on other Legal and Regulatory Requirements

We are required that in carrying out our audit of the Commission, we report on whether:

- (a) There is a relationship, interest or debt which us, as the Commission's auditor, have in the Commission;
- (b) There are serious breaches by the Commission's Commissioners, of corporate governance principles or practices.; and
- (c) There is an omission in the Financial Statements as regards particulars of any loan made to a Commission's officer (a Commissioner, Secretary or Executive Officer) during the year, and if reasonably possible, disclose such information in our opinion.

In respect of the foregoing requirements, we have no matter to report.



Chartered Accountants
Lusaka





Frederick Banda AUD/F000169
Partner signing on behalf of the firm

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial Statements
For the year ended 31 December 2023

Statement of income and expenditure

	Notes	2023 ZMW	2022 ZMW
Income			
Grant income	8	39,629,720	38,475,457
Other income	9(a)	3,096,261	3,107,824
		<u>42,725,981</u>	<u>41,583,281</u>
Expenditure			
Employment cost	10	(30,948,490)	(34,714,434)
Other operating costs	11	(6,990,549)	(6,700,090)
		<u>37,939,039</u>	<u>(41,414,524)</u>
Surplus of income over expenditure before interest		4,786,942	168,757
Interest on bank loan	20	-	-
Surplus of income over expenditure after interest		4,786,942	168,757
Income tax expense	9(b)	-	-
Surplus of income over expenditure for the year		4,786,942	168,757

The notes on pages 11 to 34 form an integral part of these financial statements.

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Statement of financial position

	Notes	2023 ZMW	2022 ZMW
ASSETS			
Non-current assets			
Property and equipment	12	310,173	391,570
Investment property	13	37,961,004	40,389,601
Intangible asset	14	648,833	973,250
		<u>38,920,010</u>	<u>41,754,421</u>
Current assets			
Financial assets	15	2,411,151	2,471,514
Trade and other receivables	16	26,264	7,725
Loans and advances	17	1,091,543	1,538,047
Cash and cash equivalents	18	2,386,661	1,149,783
		<u>5,915,619</u>	<u>5,167,069</u>
TOTAL ASSETS		44,835,629	46,921,490
LIABILITIES			
Non-current liabilities			
Capital grants	19	282,523	467,808
Bank term loan	20	-	11,854,378
		<u>12,676,610</u>	<u>12,322,186</u>
Current liabilities			
Trade and other payables	21	5,404,380	5,153,023
Provisions	22	3,892,154	5,306,870
Bank term loan	20	9,425,781	3,095,562
		<u>18,722,315</u>	<u>13,555,455</u>
ACCUMULATED FUND			
Accumulated fund		21,043,849	20,875,092
Surplus of income over expenditure for the year		4,786,942	168,757
Total fund		25,830,791	21,043,849
TOTAL FUND AND LAIBILITIES		44,835,629	46,921,490

The notes on pages 11 to 34 form an integral part of these financial statements.

The financial statements on pages 7 to 34 were approved for issue by the board of Commissioners on 28.03. 2024 and signed on its behalf by


CHAIRPERSON


FINANCE CHAIRPERSON

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Statement of changes in accumulated fund

	Accumulated funds ZMW	Total ZMW
Year ended 31 December 2022		
At start of year	20,875,092	20,875,092
Surplus of income over expenditure for the year	168,757	168,757
At end of year	21,043,849	21,043,849
Year ended 31 December 2023		
At start of year	21,043,849	21,043,849
Surplus of income over expenditure for the year	4,786,942	4,786,942
At end of year	25,830,791	25,830,791

The notes on pages 11 to 34 form an integral part of these financial statements.

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Statement of cash flows

	Notes	2023 ZMW	2022 ZMW
Cash flows from operating activities			
Cash generated from operations	23	4,158,931	2,175,929
Tax paid	9 (b)	-	-
Net cash generated from operating activities		4,158,931	2,175,929
Cash flows from investing activities			
Purchase of equipment	12	(193,763)	(116,837)
Proceeds from sale of assets		4,740	-
Interest received		302,169	164,199
Net cash used on investing activities		113,146	47,362
Cash flows from financing activities			
Changes in restricted financial assets	15	60,363	(548,829)
Payment on the term loan	20	(3,095,562)	(2,758,939)
Net cash generated / (used) on financing activities		(3,035,199)	(3,307,768)
Increase/ (decrease) in cash and cash equivalents		1,236,878	(1,084,477)
Movement in cash and cash equivalents			
At start of year		1,149,783	2,234,260
Increase/ (decrease) in cash and cash equivalents		1,236,878	(1,084,477)
At end of year		2,386,661	1,149,783

The notes on pages 11 to 34 form an integral part of these financial statements.

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Notes

1. General information

The Commission was established under the Competition and Consumer Protection Act, 2010 and its principal activities are to safeguard, promote competition and protect consumers against unfair trade practices.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

(a) New standards and amendments-applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
IFRS 17 <i>Insurance Contracts</i>	<p>The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.</p> <p>In contrast to the requirements in IFRS 4, which were largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:</p> <ul style="list-style-type: none"> • A specific adaptation for contracts with direct participation features (the variable fee approach) • A simplified approach (the premium allocation approach) mainly for short-duration contracts <p>The main features of the new accounting model for insurance contracts are as follows:</p> <ul style="list-style-type: none"> • The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cashflows) • A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profit of the insurance contracts to be recognised in profit or loss based on insurance contract services provided over the coverage period • Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining coverage period. 	1 January 2023

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Notes (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs)

(a) New standards and amendments-applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
IFRS 17 Insurance Contracts (continued)	<ul style="list-style-type: none"> • Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining coverage period. • The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice • The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period • Amounts that are paid to a policyholder in all circumstances, regardless of whether an insured event occurs (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet • Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense • A loss-recovery component of the asset for the remaining coverage of a group of reinsurance contracts held is determined and recorded in profit or loss when an entity recognises a recovery of a loss on initial recognition of an onerous group of underlying issued contracts as well as for subsequent measurement of the recovery of those losses • Entities should present separately in the statement of financial position, the carrying amounts of portfolios of insurance contracts issued that are assets and those that are liabilities, with the same requirement applying to portfolios of reinsurance contracts held • Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts 	1 January 2023

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Notes (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs)

(a) New standards and amendments-applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statements 2	<p>In February 2021, the Board issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.</p> <p>The amendments aim to help entities provide accounting policy disclosures that are more useful by:</p> <ul style="list-style-type: none"> Replacing the requirement for entities to disclose their 'significant accounting policies' with a requirement to disclose 'material accounting policy information' and Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures <p>Replacement of the term 'significant' with 'material'</p> <p>In the absence of a definition of the term 'significant' in IFRS, the Board decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS and is widely understood by the users of financial statements, according to the Board.</p> <p>In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and their nature.</p> <p>Disclosure of standardised information</p> <p>Although standardised information is less useful to users than entity-specific accounting policy information, the Board agreed that, in some circumstances, standardised accounting policy information may be needed for users to understand other material information in the financial statements. In those situations, standardised accounting policy information is material, and should be disclosed.</p>	1 January 2023

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Notes (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs)

(a) New standards and amendments-applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
<i>Definition of Accounting Estimates - Amendments to IAS 8</i>	<p>In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'.</p> <p>The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.</p> <p>Changes in accounting estimates</p> <p>The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.</p> <p>The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.</p>	31 January 2023
<i>Deferred Tax related to Assets and Liabilities arising from Single Transaction- Amendments to IAS 12</i>	<p>In May 2021, the Board issued amendments to IAS 12 <i>Income Taxes</i>, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.</p> <p>Determining the tax base of assets and liabilities</p> <p>The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a Matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.</p>	

COMPETITION AND CONSUMER PROTECTION COMMISSION

Financial statements

For the year ended 31 December 2023

Notes (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs)

(a) New standards and amendments-applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (continued)</i>	<p>Changes to the initial recognition exception</p> <p>Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.</p> <p>Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.</p> <p>Transition</p> <p>An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.</p>	1 January 2023
<i>International Tax Reform- Pillar two Model Rules – Amendments to IAS 12</i>	The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organisation for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes' respectively.	

COMPETITION AND CONSUMER PROTECTION COMMISSION

Financial statements

For the year ended 31 December 2023

Notes (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs)

(a) New standards and amendments-applicable 1 January 2023 (continued)

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023

Title	Key requirements	Effective date*
Classification of liabilities as Current or Non-Current Liabilities with Covenants – Amendments to IAS 1	<p>In January 2020 and October 2022, the Board issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:</p> <ul style="list-style-type: none"> • What is meant by a right to defer settlement • That a right to defer settlement must exist at the end of the reporting period. • That classification is unaffected by the likelihood that an entity will exercise its deferral right. • That only if an embedded derivative in a convertible liability is itself an equity instrument would the term of a liability not impact its classification. • Disclosures 	1 January 2023

COMPETITION AND CONSUMER PROTECTION COMMISSION

Financial statements

For the year ended 31 December 2023

Notes (Continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

(b) Forthcoming requirements

There are a number of standards, amendments to standards, interpretations which have been issued by the IASB that are effective in future periods and the company has decided not to adopt early.

Title	Key requirements	Effective date*
<i>Lease Liability in a Sale and Leaseback – Amendments to IFRS 16</i>	The amendment to IFRS 16 <i>Leases</i> specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.	1 January 2024
<i>Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7</i>	<p>In May 2023, the Board issued amendments to IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>.</p> <p>The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.</p> <p><i>Characteristics</i></p> <p>The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.</p> <p><i>Disclosure requirements</i></p> <p>The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.</p>	

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Notes (continued)

3. Summary of material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparing financial statements-going concern basis

The financial statements of the Commission have been prepared on the going concern basis and in accordance with the International Financial Reporting Standards (IFRS) and comply with the requirements of the **Competition and Consumer Protection Act, 2010**. They have been prepared under the historical cost convention. The financial statements are presented in Kwacha.

(b) Income recognition

Income comprises grants from the Government Republic of Zambia, rental income from investment property and interest on loans and advances

The Commission recognises income when the amount of income can be reliably measured, it is probable that future economic benefits will flow to the Commission and when specific criteria have been met for each of the Commission's activities as described below.

Income is recognised as follows:

- a) Grant income is recognised in the period in which the grant is received.
- b) Rental income is recognised and accrued in accordance with tenancy leases agreed with the tenant
- c) Interest income is recognised on a time proportion basis using the effective interest method.

(c) Functional currency and translation of foreign currencies

i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Zambian Kwacha ("ZMW") which is the Commission's functional currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other income' or 'other expenses'.

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Notes (continued)

4. Summary of material accounting policies (continued)

(d) Property and equipment

All property and equipment is initially stated at historical cost and subsequently measured at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of these assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the corporation and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on the straight line basis to write down the cost of each asset, to its residual value over its estimated useful life as follows:

Motor Vehicles	4 years
Office equipment	4 years
Computer equipment	4 years
Office furniture and equipment	4 years
Computer Software	3 years
Capital work in progress	Not depreciated

The residual values of assets and their useful lives are reviewed and adjusted if appropriate, at each statement of financial position date.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Gains and losses on disposal of property and equipment are determined by comparing proceeds with their carrying amounts and are taken into account in determining profit.

(e) Employee benefits

(a) Retirement benefit obligations

The Commission and its employees contribute to the National Pension Scheme authority (NAPSA), a statutory defined contributory scheme registered under the NAPSA Act. The Commission's contributions to the scheme are charged to the income and expenditure in the year to which they relate. The Commission has no further payment obligation once the contributions are paid.

The Commission also operates a defined contribution staff retirement benefit scheme for its permanent and pensionable employees. The Commission's contributions to the scheme are charged to the income and expenditure in the year to which they relate. The Commission has no further payment obligation once the contributions are paid.

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Notes (continued)

4 Summary of material accounting policies (continued)

(e) Employee benefits (continued)

In addition to the mandatory National Pension Scheme, the Commission operates a gratuity scheme for its senior management staff. Under the plan staff are entitled to 25% of their gross earnings for each year of service. For the purpose of computing gratuity, the gross earnings taken into account are those pertaining at the end of the contract.

(b) Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the statement of financial position date is recognised as an expense accrual.

(f) Financial assets

Classification

The Commission classifies its financial assets in the following measurement categories:

those to be measured subsequently at fair value (either through OCI or through income and expenditure), and those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the corporation has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The corporation reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the corporation commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the corporation has transferred substantially all the risks and rewards of ownership.

Measurements

At initial recognition, the corporation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

COMPETITION AND CONSUMER PROTECTION COMMISSION

Financial statements

For the year ended 31 December 2023

Notes (continued)

4. Summary of material accounting policies (continued)

(f) Financial assets (continued)

Classification (continued)

Fund instruments

The Commission subsequently measures all equity investments at fair value. Where the corporation's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Commission assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a material increase in credit risk.

For trade receivables, the corporation applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 7(b) for further details.

(g) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an immaterial risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet

COMPETITION AND CONSUMER PROTECTION COMMISSION

Financial statements

For the year ended 31 December 2023

Notes (continued)

4. Summary of material accounting policies (continued)

(i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Commission has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(j) Borrowing Costs

Borrowing costs that are attributable to the acquisition of a qualifying asset are capitalised as part of the asset based either on actual cost on specific borrowing or in the case of general borrowing based on weighted average cost.

(k) Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain material financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

COMPETITION AND CONSUMER PROTECTION COMMISSION

Financial statements

For the year ended 31 December 2023

Notes (continued)

4. Summary of material accounting policies (continued)

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the corporation prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Taxation

The Commission is an Agency of the Government Republic of Zambia created under an Act of Parliament its principle activities are as indicated on page 1.

The Commission is exempt from income tax

(n) Provisions

Restructuring costs and legal claims

Provisions for restructuring costs and legal claims are recognised when: the commission has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

5 Critical accounting estimates and judgments

The commission makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6. Financial Risk management

Exposure to interest rate and credit risk, arises in the normal course of the commission's business.

Interest rate risk

The Corporation is exposed to interest rate risk to the extent of the balance of the bank accounts.

Credit risk

No collateral is required in respect of financial assets. The Commission has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

COMPETITION AND CONSUMER PROTECTION COMMISSION

Financial statements

For the year ended 31 December 2023

Notes (continued)

6. Financial Risk management (continued)

Credit evaluations are performed on all receivables requiring credit over a certain amount. At the statement of financial position date, there were no material concentrations of credit risks.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity risk

Liquidity risk arises in the general funding of the commission's activities.

Liquidity management is directed towards ensuring that all the commission's operations can meet their funding needs, whether this is to replace existing funding as it matures, or is withdrawn.

7. Financial instruments

Exposure interest rate, credit and liquidity risk arises in the normal course of the Commission's business.

(a) Credit risk

Credit risk is the risk of financial loss to the Commission if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Commission's receivables and cash balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2023 ZMW	2022 ZMW
Cash and cash equivalents	18	2,386,661	1,149,783
Trade receivables	16	26,264	7,725
Loans and advances	17	1,091,543	1,538,047
Other financial assets	15	2,411,151	2,471,514
		5,915,619	5,167,069

The bank accounts are held with reputable banks.

COMPETITION AND CONSUMER PROTECTION COMMISSION

Financial statements

For the year ended 31 December 2023

Notes (continued)

7. Financial instruments (continued)

(b) Liquidity risk

The following are the contractual maturities of financial liabilities.

31st December 2023

	Carrying amount ZMW	Contractual cash flows ZMW	Within 1 year ZMW	1-2 years ZMW	2-5 years ZMW
Financial liabilities					
Trade and other payables	5,404,280	5,404,280	5,404,280	-	-
Provisions	3,892,154	3,892,154	3,892,154	-	-
Bank term loan	9,425,781	9,425,781	9,425,781	-	-
Total	18,722,215	18,722,215	18,722,215	-	-

31st December 2022

	Carrying amount ZMW	Contractual cash flows ZMW	Within 1 year ZMW	1-2 years ZMW	2-5 years ZMW
Financial liabilities					
Trade and other payables	5,153,023	5,153,023	5,153,023	-	-
Provision	5,306,870	5,306,870	5,306,870	-	-
Bank term loan	3,095,562	3,095,562	3,095,562	11,854,378	-
Total	13,555,455	13,555,455	13,555,455	11,854,378	-

8. Grant Income

2023

2022

ZMW

ZMW

Grants from the Government Republic of Zambia

39,629,720

38,475,457

39,629,720

38,475,457

9. (a) Other income

Amortization of capital grants (RUFEP)

-

352,524

Amortization of RISM Grant

181,713

83,866

Rental Income

2,164,371

2,098,840

Interest received from staff loans

302,169

164,198

Sundry

448,008

408,396

3,096,261

3,107,824

9. (b) Income tax

The Commission is exempt from taxes on its income.

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Notes (continued)

	2023 ZMW	2022 ZMW
10. Employment Costs		
Medical & funeral expenses	48,713	255,382
NAPSA AND NHIMA – employer contribution	1,099,748	1,244,933
Personal emoluments	29,688,907	33,077,394
Staff welfare expenses	111,122	136,725
	30,948,490	34,714,434
11. Other Operating costs		
Other operating expenses	6,278,690	6,280,467
Depreciation on property and equipment (Note 12)	270,420	292,023
Amortization of intangible assets (Note 14)	324,417	
Auditors' remuneration	117,022	127,600
	6,990,549	6,700,090

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Notes (continued)

12. Property and Equipment

	Motor Vehicles	Office equipment	Computer equipment	Furniture, fittings	Total
	ZMW	ZMW	ZMW	ZMW	ZMW
At 1 January 2022					
Cost	3,503,336	983,660	2,014,565	1,343,859	7,845,420
Accumulated depreciation	(3,503,336)	(947,763)	(1,589,244)	(1,238,321)	(7,278,664)
Net book amount	-	35,897	425,321	105,538	566,756
Year ended 31 December 2022					
Opening net book amount	-	35,897	425,321	105,538	566,756
Additions	-	65,280	-	51,557	116,837
Depreciation charge	-	(30,059)	(184,439)	(77,525)	(292,023)
Closing net book amount	-	71,118	240,882	79,570	391,570
At 31 December 2022					
Cost	3,503,336	1,048,940	2,014,565	1,395,416	7,962,257
Accumulated depreciation	(3,503,336)	(977,822)	(1,773,683)	(1,315,846)	(7,750,687)
Net book amount	-	71,118	240,882	79,570	391,570

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Notes (continued)

12. Property and Equipment (continued)

	Motor Vehicles	Office equipment	Computer equipment	Furniture, fittings	Total
	ZMW	ZMW	ZMW	ZMW	ZMW
Year ended 31 December 2023					
Opening net book amount	-	71,118	240,882	79,570	391,570
Additions	-	38,514	109,566	45,683	193,763
Disposals	-	-	(6,320)	-	(6,320)
Depreciation	-	(38,886)	(172,379)	(59,155)	(270,420)
Accumulated dep on disposal	-	-	1,580	-	1,580
Closing book amount	-	70,746	173,329	66,098	310,173
At 31 December 2023					
Cost	3,503,336	1,087,454	2,117,810	1,441,099	8,151,280
Accumulated depreciation	(3,503,336)	(1,016,708)	(1,944,482)	(1,375,001)	(7,841,107)
Net book amount	-	70,746	173,329	66,098	310,173

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Financial statements

For the year ended 31 December 2023

Notes (continued)

13. Investment property	2023 ZMW	2022 ZMW
Cost /valuation		
At start of year	40,389,601	40,124,532
Interest capitalised/Additions Written off	(2,428,597)	265,069
At end of year	37,961,004	40,389,601

The investment property is Stand number 3827, Parliament Road, Olympia Park. In the opinion of the Commissioner's, the value of the above investment property is estimated to be not less than the amount at which the property is included in these financial statements.

14. Intangibles	2023 ZMW	2022 ZMW
Cost /valuation		
At start of year	973,250	973,250
Amortisation	(324,417)	-
At end of year	648,833	973,250

The intangible asset relates to the Case Management System. The software was developed by the Copperbelt University and owned by the Commission.

15. Financial assets	2023 ZMW	2022 ZMW
Fair value through income and expenditure financial assets		
Restricted use financial assets:		
At start of year	2,471,514	1,922,685
Additions	1,426,851	1,773,773
Utilisation	(1,880,515)	(1,295,647)
Fair value movements	393,301	70,703
At end of year	2,411,151	2,471,514

The financial asset is a short term investment held with Benefits Consulting. The objective of the investment is to ensure that adequate resources are available for the gratuity payable to Directors.

The Commissioners are of the opinion that the Commission's exposure to credit risk is limited as there has been no recent history of default.

COMPETITION AND CONSUMER PROTECTION COMMISSION

Financial statements

For the year ended 31 December 2023

Notes (continued)

15 Financial assets

	Gross amount ZMW	2023 ECL allowances ZMW	Carrying amount ZMW	Gross amount ZMW	2022 ECL allowances ZMW	Carrying amount ZMW
Benefits	2,411,151	-	2,411,151	2,471,514	-	2,471,514
Consulting	2,411,151	-	2,411,151	2,471,514	-	2,471,514

The Commission has not recognised a loss allowance for expected credit losses on its available for sale assets.

16 Trade and other receivables

	2023 ZMW	2022 ZMW
Deposits	230,464	211,925
Less: Provision for expected credit losses	(204,200)	(204,200)
Total receivables	26,264	7,725

	Gross amount ZMW	2023 ECL allowances ZMW	Carrying amount ZMW	Gross amount ZMW	2022 ECL allowances ZMW	Carrying amount ZMW
Staff debtors and advances	230,464	(204,200)	26,264	211,925	(204,200)	7,725
	230,464	(204,200)	26,264	211,925	(204,200)	7,725

In the opinion of the Commissioners, the carrying amounts of receivables approximate to their fair value.

The Commissioners are of the opinion that the Commission's exposure to credit risk is limited as the prepayments have subsequently been expensed and the Commission continued to utilise the rented properties relating to the deposits. Staff debtors are recovered through payroll on monthly basis.

The carrying amounts of the Commission's receivables are denominated in Zambian Kwacha.

COMPETITION AND CONSUMER PROTECTION COMMISSION

Financial statements

For the year ended 31 December 2023

Notes (continued)

17. Loans and advances

	2023 ZMW	2022 ZMW
Loans and advances	1,091,543	1,538,047
	1,091,543	1,538,047

In the opinion of the Commissioners, the carrying amounts of Loans and Advances approximate to their fair value.

	Gross amount ZMW	2023 ECL allowances ZMW	Gross amount ZMW	2022 ECL allowances ZMW	Carrying amount ZMW
Loans and advances	1,090,543	-	1,538,047	-	1,538,047
	1,090,543	-	1,538,047	-	1,538,047

The Commission has not recognised a loss allowance for expected credit losses on loans and advances.

The Commission's credit risk arises primarily from Loans and Advances. The Commissioners are of the opinion that the Commission's exposure is limited because the loans are deductible from the payroll and terminal benefits of employees.

Loans and advances	2023 ZMW	2022 ZMW
The aged analysis of loans and advances to staff is as below:		
Current	73,573	-
2-3 months	117,236	92,172
4 to 12 months	238,300	228,334
Over 12 Months	662,434	1,217,541
	1,091,543	1,538,047

The effective interest rate on loans and advances to staff was 8% (2022:8%)

The carrying amounts of the Commission's loans and advances are denominated in Zambian Kwacha.

COMPETITION AND CONSUMER PROTECTION COMMISSION
Financial statements
For the year ended 31 December 2023

Notes (continued)

18. Cash and cash equivalents	2023 ZMW	2022 ZMW
Investrust Bank Plc	2,386,661	990,972
Other balances	-	158,811
	<u>2,386,661</u>	<u>1,149,783</u>
19. Capital grants	2023 ZMW	2022 ZMW
At beginning of the year	467,808	904,199
Capital grants amortised	(185,285)	(436,391)
	<u>282,523</u>	<u>467,808</u>
The capital grant represents funding from the Ministry of Commerce, Trade and Industry for purchase of machinery.		
20. Bank term loan		
Non-Current		
Bank term loan	-	11,854,378
Current		
Bank term loan	9,425,781	3,095,562
	<u>9,425,781</u>	<u>14,949,940</u>
Reconciliation of liabilities arising from financing		
Year ended 31 December 2023		
At start of year	14,949,940	17,708,879
Cash flows:	(2,736,136)	(2,545,141)
interest present value Written-off	(2,428,597)	-
repayments interest present value	(359,426)	(213,798)
	<u>9,425,781</u>	<u>14,949,940</u>

The bank term loan is secured by the following:

The security to be used as collateral is Stand Number 3827, Parliament Road, Olympia Park
Securing ZMW 10,000,000 (Ten Million Kwacha Only) plus compound interest.

COMPETITION AND CONSUMER PROTECTION COMMISSION

Financial statements

For the year ended 31 December 2023

Notes (continued)

20. Bank term loan	2023	2022
	ZMW	ZMW

Weighted average effective interest

Rate at the reporting date were:

Bank borrowings

%
28.25

%
28.25

The fair value of current borrowings equal to their carrying amount, as the impact of discounting is not material.

Maturity based on the repayment structure of non-current borrowings is as follows:

Between 1 and 2 years	9,425,781	4,856,281
Between 2 and 5 years	-	10,093,659
Over 5 years	-	-
	9,425,781	14,949,940

The Loan was paid off in full in February 2024.

21. Trade and other Payables

Trade Payables	415,730	780,082
Pension Obligations	384,433	352,355
Statutory Obligations	4,604,217	4,020,584
At end of the year	5,404,380	5,153,023

22. Provisions	Other provisions ZMW	Leave pay provisions ZMW	Gratuity ZMW	Total ZMW
As at 31 December 2023				
At start of year	962,679	2,157,933	2,186,258	5,306,870
Additional provisions	-	2,459,228	2,016,811	4,476,039
Utilised during the year	(758,479)	(2,761,813)	(2,370,463)	(5,890,755)
At end of the year	204,200	1,855,348	1,832,606	3,892,154

Provisions	Other provisions ZMW	Leave pay provisions ZMW	Gratuity ZMW	Total ZMW
As at 31 December 2022				
At start of year	-	2,248,199	2,086,981	4,335,180
Additional provisions	962,679	1,740,842	1,574,454	4,277,975
Utilised during the year	-	(1,831,108)	(1,475,177)	(3,306,285)
At end of the year	962,679	2,157,933	2,186,258	5,306,870

COMPETITION AND CONSUMER PROTECTION COMMISSION

Financial statements

For the year ended 31 December 2023

Notes (continued)

23. Cash generated from operations	2023 ZMW	2022 ZMW
Surplus for the year	4,786,942	168,757
Adjustments for:		
Depreciation (Note 12)	270,420	292,023
Interest received	(302,169)	(164,199)
Amortisation of intangible assets	324,417	-
Amortisation of capital grants	(185,285)	(436,391)
Fair value adjustment		(265,069)
Changes in working capital:		
– trade and other receivables	427,965	733,314
– trade and other payables	(1,163,359)	1,847,494
Cash generated from operations	4,158,931	2,175,929

24. Related party transactions

Key Management Compensation

Key Management includes Directors (executive and non-executive) and members of Senior Management. The compensation paid or payable to key management for employee services is shown below:

Board Members (Commissioners)	1,364,032	1,038,786
Salaries and other short term employment benefits	7,067,807	8,038,457
	8,431,839	9,077,243

25. Commitments

Operating lease commitments

The future minimum lease payments payable under

Operating lease for offices, not later than one

Year

892,458 781,724

26. Contingent liabilities

As at the reporting date, there were no known contingent liabilities.

27. Events occurring after balance sheet date

The Commission has since the financial year end and the date of this report paid and fully settled the K10 Million owed to Investrust Bank. This matter has been dealt with in the financial statements by writing off the future interest and reclassifying the term loan as current. The paying off of the loan has materially affected the financial position of the Commission and the results of its operations.

COMPETITION AND CONSUMER PROTECTION COMMISSION

Financial statements

For the year ended 31 December 2023

Detailed statement of income and expenditure

	2023 ZMW	2022 ZMW
Grant income		
Government of the Republic of Zambia	39,629,720	38,475,457
	<u>39,629,720</u>	<u>38,475,457</u>
Other Operating expenses		
Advertising & promotions	-	22,349
Audit and Consulting fees	117,022	127,600
Bank charges	2,675	4,381
Board & Committee expenses	1,450,958	846,035
CCPC/RUFEP expenses	-	351,630
Courier & postage	48,307	49,657
Computer	215	120
Department activities	1,557,620	1,494,057
Amortization	324,417	
Depreciation	270,420	292,023
Fuel, oil & Lubricants	266,596	284,838
General expenses	1,632	-
Electricity and water	129,972	-
HIV/AIDS	7,715	3,808
Insurance	238,956	281,661
Miscellaneous expenses	1,565	765
Motor vehicle expenses	196,467	318,018
Office operational	293,078	172,700
Printing, periodicals & newspapers	326,243	319,617
Rentals	892,458	781,724
Repairs and maintenance	208,762	285,230
Security expenses	134,467	119,480
Telephone, fax & Internet expenses	396,858	583,776
Travelling, subsistence and accommodation	75,682	133,320
Regional Expense	48,464	227,302
	<u>6,990,549</u>	<u>6,700,091</u>
 Salaries and wages-administration	 30,948,490	 34,714,434
	<u>30,948,490</u>	<u>34,714,434</u>
 Other income		
Amortization of capital grants (RUFEP)	-	352,524
Amortization of RISM Grant	181,713	83,866
Rental Income	2,164,371	2,098,840
Sundry	448,008	408,396
	<u>2,794,092</u>	<u>2,943,626</u>
 Finance income		
Interest received	302,169	164,199
	<u>302,169</u>	<u>164,199</u>
 Excess of income over expenditure	 <u>4,786,942</u>	 <u>168,757</u>

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