

## **INSTRUCTIONS ON FOREIGN INVESTMENTS IN ZAMBIA**

Listed below are sectors where foreign investment is either prohibited, has equity caps or has additional conditions. Foreign Investment is allowed in all other sectors, subject to the laws and regulations currently prevailing in Zambia:

<b>NO.</b>	<b>LIMITATION</b>	<b>LEGISLATION</b>
	<b>PART I TOTAL PROHIBITION OF FOREIGN INVESTMENT</b>	
1.	Artisanal mining shall only be undertaken by a citizen or a co-operative wholly composed of citizens.	Section 29(2) of the Mines and Minerals Development Act No. 11 of 2015
2.	A concession licence, authorising to cut, fell or process timber from a specified forest area for a period not exceeding five years can only be granted to a citizen.	Section 52 (1) (b) of the Forests Act No. 4 of 2015
	<b>PARTII EQUITY CAPS ON FOREIGN INVESTMENT</b>	
3.	The sale of live birds in a market or any other place designated under a written law is reserved for targeted citizens, citizen-influenced companies, citizen-empowered companies and citizen-owned companies.	Paragraph 3 of the Citizens Economic Empowerment (Reservation Scheme) Regulations 2017, SI No. 1 of 2017
4.	Domestic haulage for all public procurement works is reserved for targeted citizens and citizen-influenced, citizen-empowered and citizen- owned companies.	Paragraph 4 of the Citizens Economic Empowerment (Reservation Scheme) Regulations 2017, SI No. 1 of 2017

5.	The provision of commercial cleaning services is reserved for targeted citizens and citizen-influenced, citizen-empowered and citizen- owned companies.	Paragraph 3 of the Citizens Economic Empowerment (Reservation Scheme) Regulations 2019, SI No. 22 of 2019
6.	Small-scale mining shall only be undertaken by a citizen owned, citizen-influenced or citizen-empowered company.	Section 29(3) of the Mines and Minerals Development Act No. 11 of 2015
7.	A mineral trading permit without a mining licence can only be granted to citizen, a citizen-influenced company, a citizen empowered company or a citizen-owned company.	Section 44(2) and 45(1) of the Mines and Minerals Development Act No. 11 of 2015
8.	A commercial entity shall not be granted a permit for provision of airport services unless a minimum of ten percent of the commercial entity's shares are owned by citizens.	Section 105(2)(b) of the Civil Aviation Act No. 5 of 2016
9.	A commercial, community, religious, subscription or public broadcasting licence shall only be granted to citizens or a company in which not less than seventy five percent of shares are held by citizens of Zambia.	Section 19(2)(b) and 19(3) of the Independent Broadcasting Authority Act No. 17 of 2002
10.	A licensed insurer or reinsurer shall not have less than thirty percent of the licensed insurer or reinsurer's subscribed share capital owned by citizens or a citizen owned company.	Section 49(1) of the Insurance Act No 38 of 2021
11.	A licensed insurance broker shall not have less than fifty-one percent of the licensed insurance broker's subscribed share capital owned by citizens or a citizen owned company.	Section 49(2) of the Insurance Act No 38 of 2021
	<b>PART III ADDITIONAL REQUIREMENTS FOR FOREIGN INVESTMENT</b>	
12.	A public service vehicle road service licence or a goods vehicle road service licence may only be	Section 108(3) of the Road Traffic (Amendment) Act No. 8 of 2022

	granted to a person who is not a citizen if they hold an investment licence issued under the Investment, Trade and Business Development Act, 2022.	
13.	A foreign air operator shall not engage in commercial air transport within, to and from Zambia unless the operator holds a permit issued by the Minister under the Air Services Act and complies with the Act.	Section 54(1) of the Civil Aviation Authority Act No. 7 of 2012
14.	Branches of foreign banks or financial institutions must be locally incorporated in Zambia.	Section 43(1) of the Banking and Financial Services Act No. 7 of 2017
15.	Trustees, custodians, investment advisors and fund management companies must be locally incorporated in Zambia.	The Securities (Collective Investment Schemes) Rules, SI No. 161 of 1993
	<b>PART IV PREFERENTIAL TREATMENT</b>	
16.	<p>a. Participation in open national bidding shall be limited to citizen bidders and in the absence of successful citizen bids to local bidders.</p> <p>b. A local bidder awarded a procurement contract in accordance with subsection (1), shall partner with a citizen supplier.</p>	Section 39(2) and (3) of the Public Procurement Act No. 8 of 2020
17.	<p>A State institution may, in evaluating a bid, adjust the bid price in order to facilitate preferential evaluation of a bid as follows:</p> <p>(a) for a citizen-influenced company, by four percent;</p> <p>(b) for a citizen-empowered company, by eight percent;</p> <p>(c) for a citizen-owned company, by twelve percent; and</p> <p>(d) for domestically manufactured goods by a citizen-influenced company, citizen-empowered company and citizen-owned company, by fifteen percent.</p>	Paragraph 4 of the Citizen Economic Empowerment (Preferential Regulations) 2011, SI No. 36 of 2011

18.	<p>Public procurement shall be reserved for a citizen-influenced company, citizen-empowered company and citizen-owned company with estimated values as follows:</p> <ul style="list-style-type: none"> <li>(a) With respect to good, public procurement of good not exceeding three million Kwacha (3,000,000.00); and</li> <li>(b) With respect to works: <ul style="list-style-type: none"> <li>i. Building construction works not exceeding twenty million Kwacha (K20,000,000.00); and</li> <li>ii. Civil and road works not exceeding thirty million Kwacha (K30,000,000.00).</li> </ul> </li> </ul>	<p>Paragraph 5 of the Citizen Economic Empowerment (Preferential Regulations) 2011, SI No. 36 of 2011</p>
19.	<p>A procurement of non-consulting service below the value of one million Kwacha (K1,000,000.00) shall, unless it is not possible to acquire the services of a citizen-influenced company, citizen-empowered company and citizen-owned company, be exclusively reserved for citizen-influenced company, citizen-empowered company and citizen-owned company.</p>	<p>Paragraph 6 of the Citizen Economic Empowerment (Preferential Regulations) 2011, SI No. 36 of 2011</p>
20.	<p>A holder of a mining right or a mineral processing licence shall, in the conduct of mining operations or mineral processing operations and in the purchase, construction, installation and decommissioning of facilities, give preference to the —</p> <ul style="list-style-type: none"> <li>(a) materials and products made in Zambia; and</li> <li>(b) (b) contractors, suppliers and service agencies located in Zambia and owned by citizens or citizen-owned companies.</li> </ul>	<p>Section 20(1) of the Mines and Minerals Development Act No. 11 of 2015</p>
21.	<p>A holder of a licence issued under the Petroleum (Exploration and Production) Act shall, in the conduct of petroleum operations and in the purchase, construction, installation and decommissioning of facilities, give preference to the maximum extent</p>	<p>Section 63(1) of the Petroleum (Exploration and Production) Act No. 10 of 2008</p>

	<p>possible consistent with safety, efficiency and economy, to —</p> <p>(a) materials and products made in Zambia; and</p> <p>(b) contractors, suppliers and service agencies located in Zambia and owned by citizens or citizen-owned companies.</p>	
22.	<p>A person who intends to export a commodity referred to in the Schedule of the Regulations, from the Republic to another country, shall ensure that at least fifty percent of the commodity is transported by a local road transporter.</p>	<p>Paragraph 4 of the Citizen Economic Empowerment (Transportation of Heavy and Bulk Commodities by Road) (Reservation) Regulations, 2021 SI No. 35 of 2021</p>
23.	<p>A person who intends to transport a commodity referred to in the Schedule of the Regulations within the Republic shall ensure that the commodity is transported only by a local road transporter.</p>	<p>Paragraph 5 of the Citizen Economic Empowerment (Transportation of Heavy and Bulk Commodities by Road) (Reservation) Regulations, 2021 SI No. 35 of 2021</p>
24.	<p>A person who intends to import a commodity referred to in the Schedule of the Regulations, into the Republic, shall ensure that at least fifty percent of the commodity is transported by a local road transporter.</p>	<p>Paragraph 6 of the Citizen Economic Empowerment (Transportation of Heavy and Bulk Commodities by Road) (Reservation) Regulations, 2021 SI No. 35 of 2021</p>