

REPUBLIC OF ZAMBIA

UNDERSTANDING COMMERCIAL LAW

An Educational Resource for Businesses

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1. INTRODUCTION Commercial law in Zambia governs the rights, relations, and conduct of persons and businesses engaged in commerce, merchandising, trade, and sales. Understanding the framework of Zambian commercial law is essential for every entrepreneur, business owner, and stakeholder to ensure compliance, mitigate legal risks, and build strong operational foundations.
2. PURPOSE OF THIS DOCUMENT This document is designed to educate businesses on the fundamental aspects of Zambian commercial law, with practical guidance on how to remain compliant with legal obligations. It outlines the key legal instruments, business structures, contractual obligations, and dispute resolution procedures commonly encountered in the business environment.
3. KEY ELEMENTS OF COMMERCIAL LAW IN ZAMBIA

3.1. Business Registration and Incorporation

- Governed by the Companies Act No. 10 of 2017.
- Registration is done through the Patents and Companies Registration Agency (PACRA).
- Types of entities include Private Companies, Public Companies, Partnerships, and Sole Proprietorships.

3.2. Contract Law

- Contracts must meet requirements of offer, acceptance, consideration, capacity, and legality.
- Both written and oral contracts are enforceable but written contracts are strongly recommended.

3.3. Employment and Labour Compliance

- Regulated under the Employment Code Act No. 3 of 2019.
- Employers must issue written contracts of service and adhere to rules on wages, leave, termination, and health and safety.

3.4. Taxation and Compliance

- Businesses must register with the Zambia Revenue Authority (ZRA).
- Common taxes include Corporate Tax, Value Added Tax (VAT), Pay-As-You-Earn (PAYE), and Withholding Tax.

3.5. Trade Licences and Regulatory Permits

- Vary based on business activity and local authority jurisdiction.
- Certain industries require sector-specific approvals (e.g., financial services, health, transport).

3.6. Intellectual Property Protection

- Governed by the Patents Act and the Trademarks Act.
- Businesses should protect logos, inventions, and trade secrets.

3.7. Dispute Resolution

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- Disputes may be resolved through negotiation, mediation, arbitration, or litigation.
 - Commercial cases are heard in the High Court Commercial Division.
4. **CONFIDENTIALITY** All information provided through legal consultations or contained in client communications is treated with strict confidentiality, in accordance with professional legal standards and ethical obligations.
 5. **GOVERNING LAW** This guide is subject to and interpreted in accordance with the laws of the Republic of Zambia.