The Accountant
Zambia's Accountancy Journal

ZiCA
Competence, Integrity and Virtue
Zambia Institute of Chartered Accountants

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Green Gold: How Zambia Can Monetise Its Carbon Credits - 15

A Practical Guide: Bridging the Sustainability Reporting Skills Gap with AI in Zambia - 17

ZICA COMMENTS ON THE TAX AMENDMENT BILLS - 33

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COVER PHOTO: BDO Zambia scooped the Best CA Zambia Practical Training Employer of the year award at the CA Zambia Convocation and Advocacy Awards Ceremony

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Shaping a Modern Profession for a Sustainable Zambia

Yande Siame - Mwenye
ZICA President

By combining technical expertise with a commitment to sustainability, we link professional excellence to Zambia's economic resilience.

I am pleased to welcome you to this edition of the Accountant Journal. As Zambia continues to advance economically and navigate financial landscapes, the role of accountants has never been more critical. We are at a pivotal moment where the profession is being called upon to combine technical expertise, ethical leadership, and strategic foresight to support both compliance and sustainable national development.

Recent policy changes, including the increase in withholding tax on government securities from 15% to 20% and the introduction of a 1% Minimum Alternative Tax (MAT) on turnover, underscore the dynamic fiscal environment in which we operate. These measures aim to broaden the tax base, increase government revenue, and align Zambia with international best practices. At the same time, they present both challenges and opportunities for investors, businesses, and the accountancy profession.

Implications for the Profession

Accountants now have a pivotal role in helping clients and organisations navigate these changes. For investors in government securities, the higher withholding tax may reduce net returns and affect investment decisions. Businesses, particularly those operating with thin margins, must adapt to the MAT framework to ensure compliance while managing cash flow impacts. Financial institutions and corporate accounting teams face the task of updating systems, training staff, and ensuring accurate reporting.

Our profession's response must go beyond routine compliance. We must act as strategic advisors, guiding clients and stakeholders to make informed decisions that balance fiscal obligations with growth objectives. By doing so, we strengthen trust in the profession and contribute to broader economic stability.

Digitalisation and Modernisation

Just as technology transforms business, it transforms the accountancy profession. Initiatives such as ZICA's Electronic Membership Certificates (e-Certificates) are more than digital credentials—they are tools that enhance verification, streamline compliance, and elevate professional credibility. These innovations ensure that accountants are not only compliant but also future-ready, capable of leveraging digital tools for efficiency, transparency, and strategic insight.

By embracing technology, accountants can provide real-time guidance on complex financial matters, including tax obligations and investment decisions. This positions the profession as a trusted partner in Zambia's economic development, capable of navigating both regulatory changes and market dynamics.

Sustainability and Ethical Stewardship

Our responsibility extends beyond compliance and financial reporting. Accountants play a central role in promoting sustainability, ethical governance, and transparent reporting. Our work directly influences Zambia's long-term economic resilience.

The profession must continue to uphold the highest standards of integrity while embracing opportunities for innovation and impact. By integrating ethical decision-making with technological advancement, we shape a modern accountancy profession that supports national development while safeguarding public trust.

Shaping the Future

As we navigate these policy changes and embrace the opportunities of a digital, sustainable future, I urge all members to take a proactive approach. Stay informed on regulatory developments, leverage technology to enhance compliance, and commit to continuous professional growth. Engage with ZICA initiatives, provide guidance to clients, and uphold the ethical standards that define our profession.

Together, we can shape a modern accountancy profession that is resilient, innovative, and committed to sustainable growth, ensuring that Zambia thrives in a complex and evolving financial landscape.

Embracing Electronic Membership Certificates poised to Foster Compliance in the Accounting Profession

Anthony Bwembya
ZICA Chief Executive Officer

The shift from paper certificates to secure, shareable digital credentials marks a significant milestone in modernising the profession.

On 21st July 2025, the Zambia Institute of Chartered Accountants (ZICA) announced the launch of its new Electronic Membership Certificates (e-Certificates), a significant milestone in the Institute's ongoing digital transformation agenda. In an era defined by digital transformation, adoption of (e-Certificates) as a strategic tool to enhance compliance, streamline credential verification, and elevate member engagement is a game changer. This shift from traditional paper-based certificates to secure, shareable digital credentials marks a significant milestone in the modernisation of the profession.

Why e-Certificates Matter

At their core, e-certificates will be digitally issued credentials that will enable accountancy professionals, employers, regulators, and the public and stakeholders to verify a member's professional standing with the Institute. Unlike their paper counterparts, these certificates are:

- Tamper-proof, thanks to blockchain and encryption technologies
- Instantly verifiable via QR codes or secure links
- Easily shareable across platforms like LinkedIn, email, and professional websites
- Cost-effective, reducing administrative overhead by up to 80%

With the introduction of membership e-certificates and digital seals, our external stakeholders can now easily verify our members' standing without having to write / or call the Institute. This has been made possible by the various security features in the e-certificates and seals, which include a QR code that can be scanned to verify the authenticity of the certificate and digital seals.

It is worth noting that the membership e-certificates and digital seals will be issued on an annual basis upon a member making full payment of their subscription.

The responsibility to protect our profession against individuals purporting to be accountants does not rest with the Institute alone. We therefore call upon all Accountants, Finance Managers, Finance Directors, Chief Finance Officers and Partners in Audit firms to countercheck that the staff in their departments and units are compliant with the provisions of the accountants Act No. 13 of 2008.

Driving Compliance Through Digital Verification

Compliance in the accounting profession hinges on the ability to accurately verify credentials and ensure that members meet ongoing professional standards. e-Certificates simplify this process by embedding rich metadata, including:

- Member identification and unique digital signatures
- Issuing organisation details
- Achievement and validity dates
- Criteria for membership or renewal

This metadata enables real-time verification, reducing the risk of fraud and ensuring that only qualified professionals represent the profession.

Enhancing Professional Value and Visibility

Digital credentials also serve as powerful branding tools. Members can showcase their verified status and competencies online, helping them stand out in a competitive market. Initiatives like the Digital Seals with the QR codes for ease of access to information have demonstrated how digital credentials can boost member visibility and foster pride in professional achievements.

A Digital Future for Accountability

The introduction of e-membership certificates is more than a technological upgrade—it's a commitment to transparency, efficiency, and professional integrity. As accounting bodies continue to evolve, embracing digital credentials will be essential to fostering compliance, enhancing member value, and safeguarding the reputation of the profession. By investing in secure, verifiable, and accessible credentialing systems, the accounting community can confidently navigate the demands of a digital-first world.

We encourage all stakeholders to utilise the verification feature when engaging professionals who claim to be members of the Institute. The Institute will stop issuing physical certificates on 30th September 2025. For more information on how to verify a member's status or access e-Certificates, please visit our website at www.zica.co.zm.

Tax Havens and the Role of Accountants: Ethical Guardians or Enablers?

By Jacob Musongole

Tax havens have long been a contentious issue in international taxation. These jurisdictions offer minimal or zero tax rates, creating incentives for corporations and high-net-worth individuals to shift profits offshore. In the spotlight of this debate stands the professional accountant. With their unique access to financial strategies, accountants can either champion ethical practices or facilitate tax avoidance. This article explores the controversial role of accountants in the use of tax havens and the ethical challenges this poses for the profession. Tax havens provide a legal means for entities to reduce their tax liabilities. Jurisdictions such as the British Virgin Islands, Panama and the Cayman Islands offer corporate secrecy, lax regulation, and low taxation. For multinational companies, shifting profits through transfer pricing or intellectual property registration in such places can result in substantial tax savings. However, these strategies often shift the tax burden to ordinary citizens and undermine domestic resource mobilisation for developing countries like Zambia.

The Accountant's Dilemma

Accountants are central to planning, structuring and executing international tax strategies. While most operate within the bounds of the law, the line between tax avoidance and unethical behaviour is increasingly blurred. Some professionals help structure schemes that comply with legal formalities but violate the spirit of the law. This tension places the accountant in a dual role either as an ethical guardian protecting the integrity of tax systems or as an enabler of tax base erosion.

Ethical Considerations and Professional Standards

Codes of ethics, such as those provided by the International Federation of Accountants (IFAC), emphasise integrity, objectivity and public interest. Yet, the competitive market pressures and client demands can challenge these principles. Accountants working for multinational corporations or consulting firms may face direct or indirect incentives to design aggressive tax structures that exploit loopholes and mismatches in tax laws.

Implications for Developing Countries

For developing countries like Zambia, the consequences are particularly dire. These jurisdictions rely heavily on taxes for public services. When profits are shifted offshore, governments are deprived of critical revenue. In Africa, the High-Level Panel on Illicit Financial Flows led by Thabo Mbeki estimated that the continent loses over US$50 billion annually due to such practices. Accountants, whether through action or inaction, play a role in enabling these flows.

Global Regulatory Responses

The OECD's Base Erosion and Profit Shifting (BEPS) framework and the Global Forum on Transparency and Exchange of Information for Tax Purposes are aimed at curbing harmful tax practices. Initiatives like the Common Reporting Standard (CRS) and Country-by-Country Reporting (CbCR) increase transparency and accountability. However, these mechanisms require accountants to adopt a more responsible role, ensuring compliance and contributing to tax fairness.

Conclusion

Accountants stand at a crossroads in the global fight against tax abuse. They must choose whether to continue as passive facilitators or become active ethical guardians. The profession must reaffirm its commitment to ethical standards, promote transparency, and support reforms that discourage harmful tax planning. By doing so, accountants can contribute meaningfully to equitable tax systems and sustainable development.

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Jacob Musongole

Jacob Musongole is an accountant by profession working in International Tax Policy and Relations Unit at Zambia Revenue Authority. He is passionate about taxation, progressive tax reforms, and entrepreneurship.

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Now for tomorrow, Transforming: Zambia's Capital Markets for Growth and Opportunity

By Pardon Shepherd Makuza

As Zambia sits at the crossroads of economic potential and developmental challenges, the transformation of its capital markets emerges as a critical catalyst to unlock investment potential and stimulate sustainable development. The capital markets play a crucial role in engaging both domestic and foreign investors and delivering accessible financing for enterprises. The recently launched Capital Markets Master Plan (CMMP) serves as a comprehensive framework designed to enhance Zambia's financial landscape over the next decade. This piece of work examines Zambia's present capital market situation, analyses potential for transformation, and discusses the consequences for corporate finance students and aspiring investment professionals in the country.

Comprehending the Capital Market Environment in Zambia

Historically, Zambia's capital markets have reflected the country's broad economic resources, which are principally driven by the mining sector. However, in recent years, the volatility of global commodity prices, along with local fiscal concerns, has underlined the importance of a more robust and resilient capital market structure.

As of 2023, the Lusaka Stock Exchange (LuSE) stands as Zambia's primary stock exchange. While it features a range of listings including equities and government bonds, the market remains relatively small in scale. The limited number of participants and a narrow selection of investment products restrict growth and hinder the ability to direct substantial capital into sectors crucial for economic diversification, such as agriculture, manufacturing, and technology. Although LuSE offers both stocks and bonds, this product range is modest compared to more developed markets and cannot be considered truly diverse. Consequently, the exchange's current structure limits its capacity to drive broader economic transformation.

The Current Zambian Economic Landscape

Zambia's economy has encountered considerable challenges in recent years, including a substantial slowdown in development and periods of currency instability, primarily caused by external shocks like droughts and continued fiscal pressures (World Bank, 2025). However, current projections indicate a positive trend, with the World Bank estimating that Zambia might attract up to USD $21 billion in cumulative investments between 2025 and 2030 (World Bank, 2025). Mining, solar power, agribusiness, and tourism have all been recognised as key investment industries. These areas not only offer high returns, but they also create job opportunities—these investments are estimated to generate approximately 80,000 formal jobs.

The banking and financial services sector is similarly undergoing transformation. As monetary policy eases and the currency stabilises, prospects for traditional capital raising increase. The total capital raised through traditional ways is expected to reach $34.7 million by end of 2025, demonstrating a growing desire for investment among both domestic and foreign investors (Statista, 2024).

The Desire for Transformation: A Financial Hub for Zambia

The unwavering desire and thirsty for transformation within the Zambian Capital markets is driven by the vision: A Financial Hub for Zambia. Zambia's aspiration to become a financial hub is underscored by the government's commitment to developing robust capital markets that attract both local and foreign investors. The government emphasised that the Capital Markets Master Plan (CMMP) aims to create an organised environment that encourages capital holders to view Zambia as an attractive investment destination. The plan focuses on enhancing access to capital for small and medium enterprises (SMEs) while facilitating the transition to a green economy through innovative financial products such as green bonds, private equity, and venture capital.

Strategic Pillars of the Capital Markets Master Plan

The Capital Markets Master Plan (CMMP) outlines five critical development areas required to improve Zambia's capital markets. These strategic pillars are critical to establishing a strong financial environment that can boost economic growth and attract both domestic and foreign investment. Improving the government bond market is essential for providing long-term financing choices that encourage infrastructure development and economic growth:

Developing Traditional Security Markets: As cited by Peter Lynch (2002), "Know what you own, and know why you own it." This principle highlights the necessity for investors to understand the products available in these markets, which will be facilitated by enhanced transparency and improved market operations. Improving the functioning of stock markets, corporate bonds, and collective investment schemes will boost liquidity and investor trust.

Innovative Financial Products: The development of new products like green bonds and real estate investment trusts (REITs) would broaden investment choices and attract more investors.

Capacity Building: The founder of Vanguard Group, John C. Bogle once said, "The greatest enemy of a good plan is the dream of a perfect plan." (Bogle, 2009). This quote serves as a reminder that while striving for excellence in financial education and training is essential, practical steps must be taken to implement effective solutions in the capital markets. Training initiatives for regulators, market participants, and investors will ensure that all stakeholders are prepared to handle a developing market situation.

Regulatory Environment: Enhancing regulatory frameworks will promote transparency, efficiency, and trust within the capital markets, making them more appealing to international investors.

The Outcry for Corporate Finance and Investments Sector

A clear call to action has been made, and with a comprehensive understanding of Zambia's historical and current capital market landscape, the stage is set for transformation. As companies gain access to more diverse funding sources, they can pursue growth strategies with greater confidence. The Capital Markets Master Plan (CMMP) seeks to create an environment in which businesses can secure finance for significant projects, hence promoting job creation and economic development.

Understanding these trends is also vital for scholars planning to pursue careers in corporate finance or investments. As new investment options emerge, we anticipate an upward trend for demand for competent experts who can traverse complex financial landscapes. Scholars should focus on improving skills in financial analysis, risk management, investment strategies and more importantly the ability to create novel financial products tailor made for the Zambian Economy.

The Pathway for Students

Students must be proactive in their professional growth if they want to increase their career value in Zambia's rising capital markets. Pursuing relevant education is essential, with programs focused on corporate finance, investment analysis, and financial modelling. These lay a good foundation for future professions. As Benjamin Franklin wisely stated, "An investment in knowledge pays the best interest" (Socratic Method, 2023), thus, outlining the importance of acquiring knowledge and skills that will yield significant returns in one's career. Bachelor's degrees in Economics and Finance, for example, are designed to fulfill the growing demand for qualified professionals with a diverse set of economic and financial knowledge and skills. Internships with financial institutions or investment firms provide excellent real-world experience.

Warren Buffett noted, "The best investment you can make is in yourself." (CNBC, 2016). This encourages students to pursue professional qualifications, such as the Chartered Financial Analyst (CFA) which boosts their employability in competitive employment markets. Zambia Securities and Exchange Commission (SEC) values such certificates when hiring for positions such as Surveillance Officer. It is also critical to actively network at industry events and stay up to date on developments in Zambia capital markets. Programs such as the Cha-Ching financial literacy campaign, which has reached 90,000 Zambian children, highlights the country rising emphasis on financial education. Combining these techniques allows students to position themselves advantageously in Zambia changing financial landscape, ready to contribute to and benefit from the opportunities given by the development of the country capital markets

The Bigger Picture, Navigating through Alternative Investments

As traditional investing outlets become more saturated or risky, Zambian cautious investors are turning to alternative assets for support. Renewable energy, notably solar power, agricultural technology, and real estate development all offer unique prospects for diversification and growth. To navigate this changing terrain, students should become acquainted with diverse investing tactics, such as crowdfunding sites, which democratise access to larger projects by allowing anyone to spend small amounts. Furthermore, impact investment, which seeks financial returns while also providing social or environmental benefits, might entice investors interested in sustainable development. Understanding venture capital is particularly important since it equips students to connect with firms seeking investment, boosting innovation and entrepreneurship within the Zambian economy.

Engaging in these expanding sectors not only improves students' employment opportunities, but it also benefits Zambia's economic growth. By researching alternative investments, students can establish themselves as competent professionals capable of advising on or managing assets that are in line with current market trends and societal needs. This proactive approach not only broadens their understanding of investment dynamics, but also positions them to play an important role in building Zambia's more resilient and diverse economic future. As the demand for creative finance solutions rises, people who understand alternative investments will be at the forefront of driving the region's long-term growth and opportunities.

The Outlook: An Ocean of Opportunities in the Near Future

"The size of your success is measured by the strength of your desire; the size of your dream; and how you handle disappointment along the way." - Robert Kiyosaki (2019). The official launch of Zambia's Capital Markets Master Plan represents a key step toward altering the country's financial landscape to one that promotes prosperity and opportunity. Zambia is well-positioned to attract both domestic and international investment by focusing on improving regulatory frameworks, producing innovative financial products, and increasing stakeholder capacity. This ambitious strategy, which will be gradually implemented over the next decade, opens a plethora of opportunities for those who are determined and equipped to manage it.

For students interested in employment in corporate finance, investments, or alternative investments, this change opens a world of opportunities. By acquiring relevant skills, seeking educational opportunities, and actively connecting with industry professionals, students may put themselves at the vanguard of Zambia's economic rebirth. Notably, the predicted USD $21 billion in cumulative investments between 2025 and 2030 2030 (World Bank, 2025), as well as the creation of 80,000 formal positions, demonstrate the great opportunity that awaits those who are willing to grab it.

As Zambia embarks on this journey towards becoming a vibrant financial hub by 2030, now is indeed the time for tomorrow—an opportunity that students must seize to shape their futures while contributing to their country's growth story. The development of new financial products, the strengthening of traditional markets, and the focus on capacity building all point to a future rich with possibilities for those who, as Kiyosaki suggests, maintain strong desires, dream big, and persevere through challenges.

In this ocean of opportunities, success will come to those who not only acquire knowledge but also apply it with passion and resilience. As Zambia's capital markets transform, it will create waves of change that astute and well-prepared professionals can ride on to new heights of personal and national prosperity.

Important Links

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FROM STEWARDSHIP TO STRATEGY:
The Modern CFO's Blueprint for Sustainable Growth.

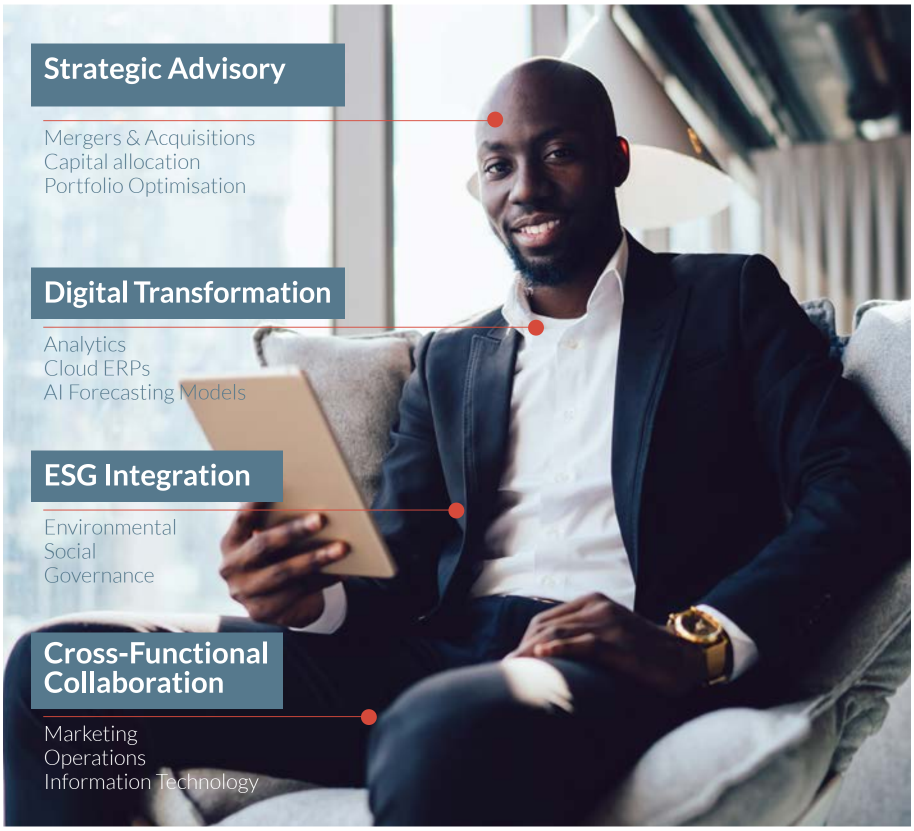
By Patrick Mwila

In an era of rapid technological change and intensifying stakeholder scrutiny, the role of the CFO has expanded well beyond accounting, statutory reporting and budget preparation (McKinsey & Company, 2024). In today's dynamic business environment much is expected of the CFO, going far beyond traditional accounting skills. Increasingly the CFO is seen as an invaluable business partner for the Chief Executive Officer and an influential member of the leadership team as concerned with facilitating the company's growth and capacity for innovation, as with protecting its financial integrity (PwC, 2025). The demands on today's Chief Financial Officer have never been greater and the role of the Chief Financial Officer (CFO) is changing, and increasingly, the CFO has now become a powerful force in organisations (Odgers Berndtson, 2014). However, digital disruption, heightened stakeholder expectations, and complex regulatory regimes have elevated the CFO to a central strategic advisor to the CEO and board (McKinsey & Company, 2024). According to PwC (2025), 57 % of CFOs now lead enterprise wide strategy redesign and invest in real time forecasting solutions to enable agile decision making. They also often oversee corporate functions such as IT and legal, ensuring financial and operational alignment across the organisation. In Zambia's dynamic economy characterised by fluctuating commodity prices, evolving regulatory regimes and growing demand for sustainability reporting CFOs must master both technical finance and high impact leadership to promote resilience and innovation.

THE MODERN CFO: FROM SCOREKEEPER TO STRATEGIST

Chief Financial Officer (CFO) is the highest-ranking finance executive, "responsible for the fiscal health of the business" (NetSuite, 2025). The CFO builds and leads the finance and accounting team and oversees functions such as financial planning & analysis (FP&A), budgeting, cash flow management, and reporting. Other key duties include securing funding and managing investments or mergers & acquisitions, ensuring accurate financial reporting, and advising the CEO and board on strategy (PwC, 2025). Beyond traditional duties the strategic CFO engages in scenario planning, digital transformation and ESG integration.

In modern organisations the CFO is more than a scorekeeper. The most effective CFOs are visionaries and strategists who work closely with top leadership and recommend bold moves for growth. it has become evident that it is no longer enough for the CFO to be a functional or technical expert. CFOs are expected to know more, do more, and contribute more to the overall success of their companies than ever before (Odgers Berndtson, 2014). In fact, 57% of CFOs report reshaping strategy and investing in digital tools to enable real-time forecasting and agile planning (PwC, 2025). In addition to first-class financial expertise,



today's CFO must relate effectively to the full scope of the business, from sales and marketing to technology and operations. The mandate has expanded to include oversight over corporate functions such as IT and legal, which have historically reported directly to the CEO. Today, success requires that the CFO be strategic, operationally savvy, and forward-looking (Odgers Berndtson, 2014).

Key responsibilities: Building a world-class finance team; balancing revenues and expenses; optimizing working capital; conducting planning, budgeting and forecasting; managing risk and compliance; guiding investment and funding decisions; and evaluating major strategic projects or acquisitions. The CFO also communicates financial insights to other departments, aligning finance with operations.

PILLARS OF STRATEGIC FINANCE LEADERSHIP:

Achievement Orientation & Resilience. Top CFOs exhibit a competitive drive, resilience under stress and a relentless focus on results (Finance Alliance, 2024). They embrace accountability and adapt swiftly to market shifts qualities essential for navigating Zambia's evolving economic landscape.

Relationship Building & Communication. Effective CFOs cultivate trust with C suite peers, board members and external investors (Spencer Stuart, 2023). They translate complex financial data into clear narratives, tailoring messages for diverse audiences from risk averse directors to growth focused shareholders.

Integrity & Adaptability. Ethical leadership and transparency underpin lasting credibility. By openly sharing decision making rationales and modelling accountability such as voluntary salary sacrifices during crises CFOs reinforce organisational values and stakeholder confidence (Capitec Bank, 2021). For example, in response to COVID-19, Capitec Bank's leadership (including the CFO) voluntarily cut salaries and postponed dividends to conserve cash and protect jobs. This ethical approach preserved employee and shareholder trust despite short-term pain.

Strategic Advisory: Steering mergers & acquisitions, capital allocation, and portfolio optimisation to align with long term vision (NetSuite, 2025).

Digital Transformation: Championing analytics driven decision making through cloud ERPs and AI forecasting models (Standard Chartered Bank, 2024). For Example, Standard Chartered Bank's AI: Enhanced forecasting reduced budget variances by 30 % and halved month end close cycles from ten to five days freeing CFOs for strategic analysis.

ESG Integration: Embedding environmental, social, and governance metrics into performance targets and linking remuneration to sustainability outcomes (Unilever, 2023).

Cross-Functional Collaboration: Partnering with marketing, operations, and IT to translate financial data into business strategies (CFO Club Africa, 2024).

> *"The way you lead sets the stage for the future growth of the entire organisation."*

STRATEGIC FINANCE FRAMEWORKS

Beyond finance: Today's CFO often wears many hats serving as a strategist, change leader and even innovation catalyst. For example, MTN's Group CFO Tsholofelo Molefe leads finance across 20+ countries and drives ESG integration and digital transformation (e.g. expansion of mobile money) (CFO Club Africa, 2024).

Strategic finance means managing the company's finances to achieve long-term goals and maximise shareholder value. It goes beyond day-to-day accounting to ensure financial planning; capital allocation and risk management are all aligned with the company's vision (Investopedia, 2024). CFOs must cultivate strategic thinking: they "connect the dots" between financial decisions and the company's objectives and emerging trends. According to industry research, modern CFOs see themselves as architects of resilience and growth, balancing short-term risks with long-term value. They also foster strong communication and stakeholder-management skills: finance leaders must clearly translate complex data into actionable insight for CEOs, boards and other departments.

Strategic partnerships: Leading CFOs work closely with the CEO and C-suite to co-create strategy. They participate in strategy sessions, present financial scenarios for new initiatives, and use tools like SWOT analysis or scenario planning to inform decisions.

Leadership pillars: Effective CFO leadership rests on strategic thinking, clear communication, integrity, adaptability and teamwork. For example, a CFO can build credibility by telling a financial story that shows "what matters this year" to achieve strategic goals. They must also guide and inspire their finance teams, champion cross-functional collaboration, and be willing to learn new technologies (like data analytics and AI) that enhance financial insight.

Budgeting & Forecasting as Storytelling: Modern CFOs reframe budgets as strategic roadmaps, aligning resource allocation with corporate priorities rather than basing plans on historical figures (CFO Club Africa, 2023). Rolling forecasts, scenario modelling (best , worst and most likely cases) and automated data integration (ERP, CRM, payroll) transform planning into an early warning system for emerging risks. For example, A strategic CFO might implement a rolling forecast process, updating projections monthly and using external data (e.g. inflation or commodity prices) so leadership can "smell trouble sooner" and adjust plans on the fly. In practice, this means training finance and business unit leaders to update assumptions continuously, rather than reacting annually. Such practices turn finance into a real-time advisor to management.

Technology-Enabled Insights: Cloud based ERPs and AI driven forecasting platforms such as those implemented by Standard Chartered Bank, which reduced budget variances by 30 % and halved month end close cycles (Standard Chartered Bank, 2024) free finance teams to focus on strategic analysis. CFOs should champion analytics and dashboard visualisations (Power BI, Adaptive Insights) to deliver real time KPIs.

Performance Measurement: Translating strategy into measurable outcomes requires both financial and non financial metrics. The Balanced Scorecard framework, which balances financial, customer, internal process and learning/growth perspectives, helps organisations link daily activities to long term objectives (Balanced Scorecard Institute, 2024). For example, a Zambian agribusiness tracking smallholder yield increases and reduced post harvest losses alongside EBITDA growth demonstrated how operational improvements drive financial returns (Zambeef, 2023).

ESG INTEGRATION AND SUSTAINABLE VALUE CREATION

Embedding ESG Metrics. Leading CFOs incorporate environmental, social and governance targets into performance scorecards and link executive remuneration to sustainability outcomes (Unilever, 2023). This approach aligns financial incentives with long term stakeholder interests and regulatory expectations. Safaricom's M Pesa expansion, guided by its CFO, not only generated significant revenue growth but also advanced UN Sustainable Development Goals (SDGs) on financial inclusion, enhancing brand loyalty and social impact (Business Chief UK, 2024). These cases show CFOs engaging in strategy, sustainability and new business models not just crunching numbers.

CROSS-FUNCTIONAL COLLABORATION AND INNOVATION

Breaking Silos. The modern CFO partners with marketing, operations and IT to convert financial insights into business strategies (CFO Club Africa, 2024). For instance, telecom (Such as Airtel, MTN, ZAMTEL etc.) CFOs may track mobile money subscriber growth or average revenue per user (ARPU) to gauge service adoption and inform product development.

Cultivating a Culture of Ownership. CFOs foster high performance cultures by delegating meaningful projects, celebrating successes and learning openly from setbacks. Such practices encourage innovation and empower finance teams to act as internal consultants rather than mere service providers (Corporate Governance Institute, 2023).

BUILDING A WORLD-CLASS FINANCE TEAM

Talent Management & Diversity. Strategic CFOs broaden recruitment pipelines, mentor high potential staff and offer cross functional rotations to build versatile leaders. Prioritising diversity in gender, background and thought strengthens problem solving capacity and prepares successors for complex challenges.

Continuous Learning & Technology Skills. As data analytics and AI reshape finance, CFOs invest in upskilling teams on tools such as Python, R and advanced Excel modelling. This commitment to learning ensures that the finance function remains a source of competitive advantage.

CONCLUSION

Today's CFOs need to be driving the organisation towards growth while protecting it from the hazards that lie in its path. Today's CFO must blend financial expertise with strong leadership, communication and cultural skills. By inspiring their teams and aligning finance functions with strategy, CFOs drive transformation and create value. The most successful CFOs aren't afraid to push limits and find creative solutions to address complex challenges. They are open to change, remain composed and positive under stress, and are a trusted and rational voice around the table. Today, CFOs must be among the company's strongest advocates, catalysts for innovation, growth and improved performance yet at the same time must serve as the last line of defence.

Today's CFO must transcend stewardship to become a catalyst for sustainable growth. By integrating strategic planning, digital transformation and ESG principles, and by leading with integrity, resilience and collaboration, CFOs position their organisations for long term success. Zambian finance leaders who adopt this blueprint will not only safeguard financial integrity but also drive innovation, stakeholder trust and enduring value. Therefore, Accountants in Zambia and beyond must therefore embrace this comprehensive skillset positioning themselves as indispensable architects of organisational resilience and long term success.

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STRENGTHENING CORPORATE GOVERNANCE AND ETHICS IN ZAMBIA: A BLUEPRINT FOR BOARDS AND REGULATORS

By Denstone Mukuku

Introduction

In today's complex business environment, corporate governance and ethics are no longer optional considerations—they are strategic imperatives. The recent high profile governance lapses and ethical flaws in Zambia emphasise the urgency by regulators and boards to revisit oversight structures, clarifying roles, reinforcing culture of accountability and legislating or domesticating corporate governance frameworks. This article explores the interdependence of governance and ethics, using recent Zambian cases to highlight lessons and provide a forward-looking blueprint for sustainable corporate leadership.

Corporate Governance and Ethics

According to Cadbury Report (1992), Corporate governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It encompasses the mechanisms through which stakeholders influence and monitor corporate decisions, ensuring accountability, fairness, and transparency in a company's relationship with its stakeholders.

Ethics, in the context of corporate governance, pertains to the moral principles that guide the behavior, decisions, and actions of individuals and organisations (OECD, 2023). Ethical governance goes beyond legal compliance to encompass integrity, fairness, and a commitment to doing what is right, especially when managing stakeholder interests, environmental stewardship, and social responsibility.

The Case for Role Clarity and Independent Oversight

Paramount to the sound corporate governance is the clear distinction of roles between the Chairperson and Chief Executive Officer (CEO). This separation ensures that no single individual holds disproportionate influence over the strategic direction and daily operations of the organisation. Unfortunately, Zambia has seen instances where board chairpersons have assumed executive roles, creating conflicts of interest and eroding board independence. One notable case involved a publicly listed company where the chair transitioned into the CEO role without adequate explanation, drawing criticism from governance advocates and the Institute of Directors of Zambia.

For regulators, enforcing this separation is important. Board charters and regulatory frameworks must codify the functional and structural delineation of roles to ensure robust checks and balances. Where transitioning into the CEO role becomes an absolute necessity for an organisation, it should be documented and ensure that adequate cooling off period is observed (King IV, 2016).

Environmental Governance Failures and Ethical Blind Spots

The recent happenings in Zambia in the environmental space highlight the lack or failure to apply ethical principles in decision making by most organisations. For example, in 2025, a tailings dam at a Chinese-owned mine in Kitwe released millions of litres of acidic waste into the Kafue River, disrupting water supply and causing irreparable ecological damage (Kille & Zimba, 2025).

Similarly, the legacy of lead contamination in Kabwe remains a scar on Zambia's environmental score. Despite numerous studies and international attention, thousands of children continue to suffer from lead poisoning due to mining activities that ceased decades ago but were never fully remediated (Human Rights Watch, 2005).

Perhaps most controversially, the proposed open-pit copper mine by Mwembeshi Resources in the Lower Zambezi National Park sparked widespread public and expert opposition. Although initial court rulings had permitted mining based on technicalities, the Zambia Environmental Management Agency (ZEMA) ultimately revoked the license due to non-compliance with environmental regulations and lack of community consultation (wwf,2023). These cases demonstrate a troubling gap between regulatory authority and enforcement.

Integrating Ethics into Corporate Governance

It is very common to view corporate ethics as abstract ideals as opposed to practical guide for behavior and decision-making at the highest levels. How can the flawed view be changed?

Ethical governance involves more than compliance; it requires leaders to set a tone of integrity, transparency, and accountability. This is particularly critical in high-risk industries such as mining, telecommunications, and financial services. For regulators, it is important to mandate ethical disclosures and incorporate ethical assessments into licensing and oversight procedures. On the other hand, Boards should facilitate the development and enforcement of codes of conduct, conflict-of-interest, and whistleblower protections policies (King IV, 2016) These mechanisms empower employees and stakeholders to report unethical practices without fear of reprisal.

Strengthening Regulatory Oversight and Board Effectiveness

For Zambia to build a resilient governance ecosystem, regulators must take a more proactive and coordinated approach. This includes:

Codifying role separation between chairpersons and CEOs in governance codes and stock exchange listing rules.

Working closely with governance organisations such as the Institute of Director Zambia to ensure effective and independent board composition, particularly in audit, risk, and environmental oversight committees.

Enforcing transparent Environmental Impact Assessments (EIAs) and ensuring their findings influence licensing decisions.

Establishing joint inspections across regulatory agencies such as ZEMA, the Ministry of Mines, and the Zambia Public Procurement Authority to improve compliance.

At the board level, directors must exercise due diligence by demanding regular updates on environmental risks, stakeholder concerns, and operational integrity. Integrating ESG (Environmental, Social, and Governance) criteria into boardroom discussions is no longer optional; it is fundamental to long-term value creation. The Boards should ensure that reports issued by the organisations enable stakeholders to make informed assessments of the organisation's performance on not only financial goals but also non-financial goals.

Recommendations for Boards and Regulators

i. Adopt and enforce governance codes that require the separation of strategic oversight from operational control.
ii. Ensure effective, transparent and independent board composition through collaboration with IODZ, annual disclosures and regulatory audits.
iii. Embed environmental and ethical considerations into strategic planning and Enterprise Risk Management.
iv. Institutionalise whistleblower frameworks and grievance redress mechanisms across sectors.
v. Promote multi-stakeholder engagement before approving large-scale projects, particularly those with social and environmental risks.
vi. Train board members and regulatory staff in governance ethics, stakeholder management, and emerging ESG standards.

Conclusion

Corporate governance and ethics go hand in hand in determining responsible leadership. In Zambia, recent happenings in the governance space have illustrated both the costs of failure and the potential for reform. Regulators and boards must rise to the occasion, not only to prevent future crises but to build institutions that are trusted, resilient, and aligned with the broader goals of national development. By embracing governance best practices and embedding ethics into every level of decision-making, Zambia can chart a course toward inclusive and sustainable economic growth.

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SUSTAINABILITY ASSURANCE: ARE ACCOUNTANTS READY TO VERIFY ESG DATA?

By Esnart Ashley Mbewe

While it might seem like a task reserved for environmental specialists or community outreach teams, the finance department plays an important role in this endeavor. Global Reporting Initiative (GRI): GRI provides a comprehensive sustainability framework that is not solely anchored in financial materiality, making it suitable for various organisations.

Stakeholders are demanding more than voluntary disclosures as Environmental, Social, and Governance (ESG) considerations become more essential in how corporations operate and report. To ensure accountability and transparency, there is growing demand for independent, credible verification of ESG measures. Sustainability assurance is becoming increasingly important as a result of this trend, and many individuals believe the accounting sector is well-positioned to take the lead. But a critical question arises: Are accountants truly prepared to assure ESG data with the same rigor as they do financial statements?

The Rise of ESG Reporting

ESG reporting has evolved quickly in recent years. Previously a discretionary, marketing-driven practice, ESG disclosures are now mandated in certain states. For example, the Corporate Sustainability Reporting Directive (CSRD) of the European Union mandates that large companies provide certified sustainability data that conforms to the European Sustainability Reporting Standards (ESRS) (European Commission, 2023). Likewise, the SEC has proposed rules requiring disclosures about climate change, including emissions from Scope 1 and Scope 2 (U.S. SEC, 2022).

The International Financial Reporting Standards (IFRS) Foundation created the International Sustainability Standards Board (ISSB) in 2021. With the publication of IFRS S1 and S2, the ISSB created a global standard for sustainability disclosures in June 2023 (IFRS Foundation, 2023). These modifications demonstrate the increasing institutionalisation of ESG reporting and the ensuing need.

Why Accountants Are Seen as Natural ESG Assurers

Accountants are qualified for sustainability assurance due to a number of their attributes. First, according to the International Auditing and Assurance Standards Board (2013), they are highly skilled in implementing assurance standards such ISAE 3000 (Revised) for non-financial information and ISAE 3410 for greenhouse gas (GHG) statements. The integrity of their assurance engagements is guaranteed by their training in independence, ethical norms, and professional skepticism.

Additionally, accountants possess knowledge of systems thinking, internal controls, and materiality assessments—skills necessary for confirming ESG data across intricate organisational hierarchies. Their capacity to offer limited or reasonable assurance can boost investor decision-making and boost trust in ESG disclosures (Accountancy Europe, 2021).

Challenges Facing the Profession

Despite their advantages, most accountants lack the specialised knowledge required for high-quality ESG assurance.

Insufficient Technical Understanding

Metrics including carbon emissions, biodiversity impact, water use, human rights violations, and supply chain openness are all included in sustainability data. Beyond conventional financial training, interdisciplinary expertise is needed to ensure this. Just 22% of financial professionals were confident in their comprehension of climate-related risks, according to a global survey conducted by the Association of Chartered Certified Accountants (ACCA) (ACCA, 2022).

Changing Frameworks and Standards

With several frameworks GRI, SASB, TCFD, ISSB, and CDP—often employed simultaneously, the ESG reporting environment is still fragmented. Lack of homogeneity makes assurance procedures more difficult and raises the possibility of uneven reporting even while convergence efforts are under progress (IFAC, 2023).

Expectations of Stakeholders and Materiality

Financial materiality serves as the foundation for traditional financial reporting, but ESG reporting also takes into account the more expansive idea of double materiality. This takes into account the company's financial effects as well as its effects on the environment and society (EFRAG, 2023). To evaluate non-financial risks and possibilities, accountants need to broaden their perspective.

Bridging the Gap: What Needs to Be Done

Recognising this skills gap and the growing relevance of sustainability reporting, YSM Chartered Accountants (Zambian Audit Firm) has entered into a strategic collaboration with the United Nations Global Compact, a globally recognised platform dedicated to developing sustainable business practices.

Through this relationship, YSM is providing its audit and assurance teams with cutting-edge ESG expertise and tools. The UN Global Compact platform provides a multitude of ESG-related materials, guidelines, and best practices, as well as practical, recognised training programs aimed to auditors and financial professionals. These courses allow the team to have a deeper understanding of ESG concepts, reporting frameworks, materiality assessments, and sustainability risks, hence improving the quality and credibility of assurance services delivered to its clients.

This initiative is part of YSM's ongoing commitment to professional development, innovation, and leadership in sustainability assurance. By staying ahead of global standards and aligning with internationally recognised institutions, they ensure that clients receive relevant, future-proof guidance in an evolving regulatory environment.

Further to position themselves as effective sustainability assurers, accountants must:

1. **Upskill Through ESG-Focused Training:** Professional bodies like ACCA, CPA Canada, and SAICA are integrating ESG into their syllabi. Targeted training programmes and certifications (e.g., GRI Certification, CFA ESG Investing) can close knowledge gaps.
2. **Collaborate Across Disciplines:** Assurance teams must include environmental scientists, climate risk experts, and data specialists. Multidisciplinary collaboration will improve the quality and credibility of ESG assurance.
3. **Adopt Technological Tools:** Digital platforms and analytics tools are essential for collecting, monitoring, and validating ESG data in real-time. Technologies like blockchain can improve traceability and reduce greenwashing (KPMG, 2023).
4. **Advocate for Clearer Standards:** The IAASB and IFAC are developing guidance for ESG assurance engagements. Continued advocacy for global, consistent standards will enhance assurance quality and stakeholder trust (IAASB, 2023).

Conclusion

Sustainability assurance is becoming a reality rather than a sci-fi ideal. The accounting profession must adapt to changing stakeholder expectations and tightening laws. Accountants can significantly contribute to the development of a more open and sustainable global economy by learning new skills, embracing teamwork, and pushing for standardisation.

Passive observation is no longer an option. The world is watching, so the profession ought to take action.

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Green Gold: How Zambia Can Monetise Its Carbon Credits

By Arthur Chanda

"With its vast natural ecosystems, Zambia has a unique strategic advantage to turn its forests into financial assets and its conservation efforts into commerce, pioneering a model of profitable climate leadership for Africa."

ABSTRACT

As global momentum toward carbon neutrality (Net Zero) intensifies, Zambia — a low-emission country rich in natural ecosystems has a unique strategic advantage in the emerging carbon credit market. This article explores how high-emission companies globally are leveraging carbon credits to offset emissions and how Zambia can position itself to benefit economically by developing, verifying, and exporting high-quality carbon credits. The paper outlines both the potential and the structural challenges Zambia must address to become a key player in the global carbon economy.

INTRODUCTION: WHY NET ZERO MATTERS

According to the United Nations Framework Convention on Climate Change (UNFCCC, 2023), achieving net zero by mid-century is critical to limiting global warming to 1.5°C. Many countries have enacted climate policies, and companies have made net zero pledges as part of their ESG strategies. However, for heavy industries where decarbonisation is costly or technologically infeasible, the voluntary carbon market is an essential mechanism to close the emissions gap (Ecosystem Marketplace, 2023).

HOW CARBON CREDITS WORK

A carbon credit represents one tonne of carbon dioxide equivalent (CO_2e) that is either removed from or prevented from entering the atmosphere. These credits are issued by verified projects, including reforestation, conservation agriculture, and renewable energy, particularly in the Global South (Verra, 2023). The voluntary carbon market (VCM) surpassed US$2 billion in annual transactions in 2023, with global companies like Microsoft, Apple, and Shell purchasing verified carbon credits to offset residual emissions (Ecosystem Marketplace, 2023). Carbon credits must be permanent, additional, and independently verified to maintain environmental integrity (Gold Standard, 2023).

FROM EMISSIONS TO CREDITS

To meet climate targets, companies follow a three-step emissions strategy:

1. Measure and Report: Firms assess emissions using frameworks like the GHG Protocol (Scopes 1, 2, and 3).
2. Reduce Emissions: Through operational efficiency, renewable energy, or technology changes.
3. Offset Residual Emissions: By purchasing carbon credits from verified projects.
4. Credits are validated by standards such as:
5. Verra (VCS): A widely adopted standard that verifies a broad range of carbon offset projects.
6. Gold Standard: Certifies projects with strong climate and sustainable development benefits.
7. ART-TREES: Focuses on high-integrity emissions reductions from large-scale forest conservation under REDD+ programs.

ZAMBIA'S UNTAPPED ADVANTAGE

Zambia has already taken initial steps towards engaging in carbon finance. The country participated in the UN-REDD Program, aiming to develop capacity for Reducing Emissions from Deforestation and forest Degradation (UN-REDD Program, 2021). With approximately 60% forest cover dominated by Miombo woodlands, low national emissions, and community initiatives like COMACO and the Zambia Carbon Exchange, Zambia is well-positioned to supply high-integrity nature-based carbon credits.

CASE EXAMPLE: COMACO IN EASTERN ZAMBIA

Community Markets for Conservation (COMACO) trains smallholder farmers in sustainable land use and conservation farming, reducing deforestation and generating verified carbon credits that support local development (COMACO, 2023). At COP27 in 2022, the Africa Carbon Markets Initiative (ACMI) launched with a target to generate 300 million carbon credits annually by 2030, unlocking over US$6 billion in income for Africa (ACMI, 2022).

OPPORTUNITIES FOR ACCOUNTANTS

The expansion of Zambia's carbon credit market opens promising professional pathways for local financial professionals. Accountants will play a critical role in accurately tracking carbon credit revenues, preparing financial statements that reflect carbon assets, and ensuring compliance with green finance reporting standards such as IFRS S2 (IFRS Foundation, 2023). Auditors will be essential in verifying the integrity of carbon credit transactions, particularly with increasing global scrutiny around environmental claims and the need for independent assurance. Financial analysts, on the other hand, will be key in valuing carbon credit portfolios, forecasting revenue streams, advising on investment opportunities, and supporting carbon project developers in building bankable business models.

CALL TO ACTION FOR INSTITUTIONS

To fully harness these opportunities, institutions such as the Zambia Institute of Chartered Accountants (ZICA), universities, and government agencies should prioritise the integration of carbon accounting, ESG reporting, and climate finance into academic curricula and professional development programs. Introducing specialised certifications, CPD workshops, and partnerships with international sustainability bodies will ensure Zambian finance professionals are equipped to serve as credible advisors and enablers of the country's emerging green economy. By investing in capacity building now, Zambia can position its financial workforce at the forefront of Africa's climate finance revolution.

STRATEGIC RECOMMENDATIONS FOR ZAMBIA

To fully unlock this potential, Zambia must adopt a strategic approach that includes:

- Finalise and enforce a National Carbon Market Framework and Registry (ACMI, 2022).
- Promote public-private partnerships for afforestation, agroforestry, and renewable energy projects.
- Build local capacity in MRV, remote sensing, and carbon accounting.
- Collaborate with international finance platforms and carbon sales networks.
- Ensure transparent, equitable community engagement and benefit sharing.

CHALLENGES TO OVERCOME

Zambia faces barriers such as limited local technical expertise, unclear carbon rights under customary land tenure, risk of greenwashing, and price volatility in voluntary markets (World Bank, 2022). Partnerships with universities, NGOs, and global carbon registries are critical to closing these gaps.

CONCLUSION

Zambia's path to net zero is not about racing to eliminate industrial emissions it is about selling the emissions it doesn't produce and protecting the ecosystems that store carbon naturally. By positioning itself as a credible supplier of verified carbon offsets, Zambia can attract international finance, empower rural communities, and promote a green, inclusive economy.

The rise of companies like COMACO proves that climate action and economic development are not mutually exclusive. With the right legal, financial, and institutional support, Zambia can turn forests into financial assets and conservation into commerce pioneering an African model of profitable climate leadership.

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Bridging the Sustainability Reporting Skills Gap with AI in Zambia: A Practical Guide

By Mulubwa Mpundu Chola

How AI empowers Zambian businesses to master sustainability reporting under ZiCA, SEC, and IFRS S1/S2 guidelines.

In Zambia, the imperative for robust and transparent sustainability reporting is clearer than ever. Companies across various sectors are recognizing that Environmental, Social, and Governance (ESG) performance is no longer just a 'nice-to-have' but a crucial indicator of long-term value, resilience, and responsible business practice. This push is strongly guided by frameworks from the Zambia Institute of Chartered Accountants (ZICA) and the Securities and Exchange Commission (SEC Zambia), which are increasingly aligning with or drawing from international standards, notably IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures).

However, a significant hurdle many Zambian businesses face in this journey is the skills gap among report preparers. From understanding intricate regulatory nuances (including the implications of IFRS S1 & S2 alignment) to identifying, collecting, analyzing, and presenting complex ESG data, the process can be daunting. This often leads to reports that are either incomplete, non-compliant, or fail to tell a compelling story of the company's sustainability efforts. But what if there was a powerful ally to help bridge this gap? Enter Artificial Intelligence (AI).

The Reporting Imperative Investor demand for credible ESG data is at an all-time high

85%

of global Investors now consider ESG factors in their investment Decisions.

The Skills Gap Challenge in Sustainability Reporting Compliant ESG Data Collection

Let's break down the specific areas where the skills gap typically manifests:

1. **Regulatory Interpretation:** Deciphering the exact requirements of ZICA and SEC Zambia guidelines and understanding their alignment with or basis in IFRS S1 and S2, can be complex, especially for teams new to the domain.

2. **Data Identification & Sourcing:** Knowing what ESG data to collect, where to find it within the organisation, and how to ensure its relevance to local context and global standards (including those implied by IFRS S1/S2).

3. **Data Quality & Consistency:** Ensuring that collected data is accurate, consistent over time, and free from errors – a critical foundation for credible reporting that meets the rigor of IFRS-aligned standards.

4. **Analysis & Interpretation:** Moving beyond raw data to derive meaningful insights, identify trends, and understand their implications for business strategy and stakeholder impact, as required for strategic disclosures.

5. **Effective Storytelling & Reporting:** Presenting complex ESG information in a clear, concise, and compelling narrative that resonates with investors, regulators, and other stakeholders, all while maintaining compliance with local and internationally aligned standards.

The Five Core Challenges of the Skills Gap

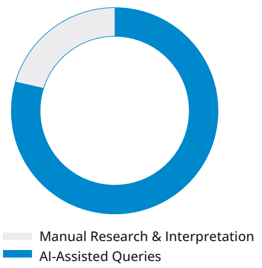
How AI Addresses Specific Skills Gap Challenges

AI isn't here to replace the diligent work of sustainability report preparers; rather, it acts as a highly intelligent co-pilot, augmenting human capabilities and enabling preparers to achieve higher levels of accuracy, efficiency, and compliance. Here's how AI can directly address the skills gap:

1. Simplified Regulatory Interpretation

AI, trained on ZICA, SEC, and IFRS guidelines, provides instant, context-aware answers, dramatically reducing time spent on manual research and ensuring compliance.

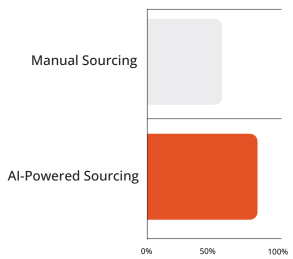
Time Spend on Regulatory Research



2. Comprehensive Data Sourcing

AI intelligently maps reporting requirements to internal data sources, identifies gaps, and extracts relevant information, leading to more complete and accurate data collection.

Data Source Coverage



3. Improved Data Quality

AI significant automatically validate inputs, flag credentials, and standardise formats, significantly reducing the risk of errors that can undermine a report's credibility.

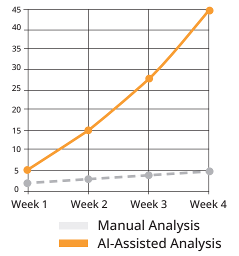
40%

Reduction in Data Errors

4. Accelerated Insight Generation

By recognizing patterns and performing comparative analysis faster than humanly possible, AI project teams uncover strategic insights from their ESG data in days, not months.

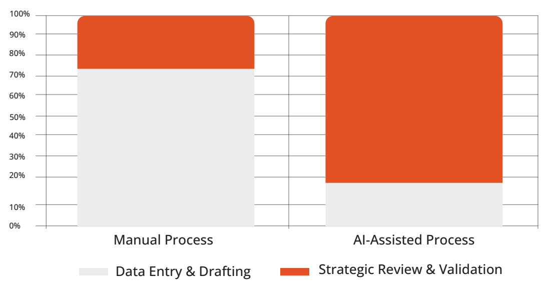
Number of Strategic Insights Generated



5. Strategic Report Generation

AI automates the drafting of narrative sections, allowing preparers to shift their time from manual data entry and writing to high-value strategic review and stakeholder engagement.

Time Allocation in Report Creation (%)



1. Navigating Regulatory Nuances with Ease

Challenge: Understanding the evolving ZICA and SEC Zambia requirements, particularly their increasing alignment with IFRS S1 and S2, which often involve specific disclosures, metrics, and reporting formats relevant to the Zambian context and international best practices.

AI Solution: An AI prompt can be trained on all relevant ZICA guidelines, SEC Zambia directives, and crucially, the full text and implications of IFRS S1 and S2. Preparers can simply input specific queries or data points, and the AI can:

- Provide instant guidance: "Does ZICA, in line with IFRS S2, require disclosure of Scope 1 and 2 carbon emissions for a mining company of our size?"
- Flag missing disclosures: "Based on our industry, operations, and the principles of IFRS S1, you may need to include data on [specific social or governance metric] to ensure comprehensive disclosure."
- Suggest compliant phrasing: "For this section on water usage, consider phrasing it in line with section X of the ZICA guidelines, drawing upon the principles of materiality from IFRS S1."

This acts like an ever-present, expert regulatory advisor, reducing the need for extensive manual research or specialised legal interpretation, and ensuring alignment with global benchmarks.

2. Intelligent Data Identification and Sourcing

Challenge: Identifying precisely which operational data corresponds to which ESG metric, and then efficiently sourcing that data from disparate internal systems (HR, operations, finance, etc.), ensuring it meets the rigorous demands implied by IFRS S1/S2.

AI Solution: AI can be leveraged for:

- **Data Mapping:** By understanding the structure of ZICA/SEC reporting requirements and their IFRS S1/S2 underpinnings, AI can help map these directly to your internal data sources (e.g., linking "employee training hours" to your HR system's training logs, or "energy consumption" to utility bills).

- **Intelligent Search & Extraction:** Given a set of ESG metrics, AI can identify and even extract relevant data points from various internal documents (reports, spreadsheets, databases) more rapidly and accurately than manual methods, ensuring the granularity often required by international standards.
- **Gap Analysis:** The AI can quickly identify where data is missing for specific disclosures and prompt the preparer to source it, highlighting areas where information might be insufficient for IFRS-aligned reporting.

3. Enhancing Data Quality and Consistency

Challenge: Ensuring the accuracy, completeness, and consistency of ESG data, which often comes in varied formats and from different departments, to meet the high bar of financial-grade sustainability disclosures.

AI Solution: AI can be programmed to:

- **Validate Data Inputs:** Cross-reference data against historical trends, industry benchmarks, or pre-defined rules to flag anomalies or potential errors (e.g., "This year's energy consumption is 50% lower than the historical average – please verify"). This is crucial for the reliability expected in IFRS S1/S2 disclosures.
- **Standardise Formats:** Automatically convert disparate data formats into a consistent, report-ready structure, crucial for aggregation and analysis.
- **Identify Duplicates or Gaps:** Pinpoint redundant data entries or significant information gaps that could undermine report credibility, especially important when preparing data for auditable sustainability statements.

4. Driving Actionable Analysis and Interpretation

Challenge: Moving beyond just presenting numbers to truly understanding what the ESG data means for the business and its stakeholders, and how it aligns with strategic objectives, as emphasised by IFRS S1's focus on enterprise value.

AI Solution: An AI prompt can assist by:

- **Pattern Recognition:** Identify subtle trends or correlations within your ESG data that might be missed by human eyes (e.g., "A direct correlation is observed between increased employee engagement scores and reduced workplace incidents").
- **Comparative Analysis:** Benchmark your performance against industry peers (if data is available) or your own historical performance, highlighting areas of strength and weakness relative to IFRS S2's focus on climate-related risks and opportunities.
- **Suggesting Insights:** Based on the data, the AI can propose potential insights or areas for further investigation, helping preparers frame the narrative more strategically in line with the objectives of sustainability-related financial disclosures.

5. Streamlining Report Generation and Storytelling

Challenge: Translating complex data and insights into a coherent, compliant, and engaging narrative that meets ZICA/SEC Zambia standards, explicitly reflecting the spirit and requirements of IFRS S1 and S2, and resonates with stakeholders.

AI Solution: AI can significantly aid in:

- **Drafting Narrative Sections:** Generate initial drafts for standard report sections based on the compiled data and your chosen reporting framework, ensuring the inclusion of all necessary elements specified by IFRS S1/S2.
- **Ensuring Compliance in Text:** Review drafted text for adherence to specific ZICA/SEC Zambia disclosure requirements and the principles of IFRS S1 and S2, flagging omissions, ambiguous phrasing, or areas where more detail is needed.
- **Consistency in Messaging:** Ensure that the language and tone across different sections of the report remain consistent, maintaining a professional and credible voice.
- **Summarisation:** Condense large amounts of information into digestible summaries for key sections like the Executive Summary, providing a clear overview as required for investor communications.

The beauty of integrating AI into sustainability reporting is that it doesn't diminish the role of the human preparer; it elevates it. By automating repetitive tasks and providing intelligent assistance, AI frees up valuable time for preparers to:

- **Focus on Strategy**: Spend more time understanding the strategic implications of ESG performance and how it contributes to enterprise value, a core tenet of IFRS S1.
- **Engage with Stakeholders:** Collaborate more effectively with internal teams and external stakeholders, building stronger relationships through transparent communication.
- **Validate and Refine:** Apply their critical judgment to review AI-generated content, ensuring accuracy, contextual relevance, and alignment with the specific business operations in Zambia.
- **Tell a More Powerful Story:** Craft a compelling narrative that goes beyond mere compliance, showcasing the true value and impact of the company's sustainability efforts in a way that is credible and investor friendly.

For Zambian businesses looking to enhance their sustainability reporting capabilities and effectively navigate the requirements of ZICA and SEC Zambia, especially with the growing importance of IFRS S1 and S2, embracing AI is not just about efficiency—it's about empowering your teams to achieve a new level of excellence and strategic impact. It turns the skills gap from a barrier into an opportunity for growth and innovation.

Author

Chrispin Daka

Chrispin Daka, BAcc, FZICA, is an Entrepreneur and Chartered Accountant with over 27 years of experience spanning both the private and public sectors in Zambia and the Sub-Saharan region. He specialises in IFRS,Audit and Assurance, Tax Compliance and Advisory, Financial Management, and Business Growth Strategy Consulting. Chrispin is currently the Senior Partner at Client Focus Solutions Chartered Accountants.

RIDING THE AI WAVE: EMBRACING THE FUTURE WHILE NAVIGATING RISKS

By Vincent Lameck Sakala

In a world where innovation waits for no one, Artificial Intelligence (AI) is no longer just a buzzword; it is the silent engine driving transformative change across industries (N, Manoj., 2025). From streamlining customer service to powering predictive analytics, AI is becoming a necessity rather than an option. For those in tech oriented industries, the shift is not just technological, it's existential. The question isn't whether to adopt AI, but how soon. Delay, as history has shown with tech giants like Nokia, can render even the strongest players obsolete.

AI has transitioned from speculative fiction to business imperative at unprecedented speed. Across sectors from healthcare to finance, organisations leveraging AI achieve 20-40% gains in operational efficiency (McKinsey, 2023). Yet this technological revolution presents a paradox: while 83% of companies prioritise AI adoption (Gartner, 2023), fewer than 15% have implemented comprehensive governance frameworks (Deloitte, 2024). This disconnect mirrors historical inflection points much like the industrial revolution's early adopters outpaced competitors, contemporary enterprises face an "adapt or atrophy" crossroads.

> *"Harnessing AI transforms efficiency, accuracy and decision-making into a true competitive edge"*

HARNESSING THE COMPETITIVE ADVANTAGE OF AI

Harnessing AI for a competitive advantage involves using artificial intelligence to gain an edge over rivals in the market. This can be achieved by improving efficiency, accuracy and decision-making processes, ultimately leading to increased productivity, innovation and better customer experiences (Value Consulting Partners, 2025). AI offers a suite of benefits that revolutionises how industries operate and how we serve our current and potential customer portfolios. The following are some standout advantages noted with most AI Platforms:

Customer Experience Optimisation: When utilised AI chatbots, Natural Language Processing (NLP) and sentiment analysis helps us understand and respond to customer needs faster and more accurately. Natural Language Processing (NLP) enables hyper-personalised interactions at scale. Bank of America's Erica chatbot handles 50 million client queries annually with 85% resolution rates (An, F., 2025), while Starbucks' Deep Brew system personalises recommendations, boosting sales by 23% (Harvard Business Review, 2023).

Network Management & Optimisation: Predictive maintenance and AI-driven traffic forecasting helps us reduce downtime and improve service quality. Manufacturing plants using AI-driven predictive maintenance reduce equipment downtime by 35% (Pallab De, Prahalad Chandrasekharan, 2025). Uber Freight is also using machine learning to address vehicle routing, a complex issue that involves determining the most efficient route for a vehicle to deliver goods to a set of locations. Trucks in the U.S. are about 30% empty on average, which wastes time and fuel and leads to unnecessary carbon emissions. By algorithmically designing the optimal route for the truck driver, the company has been able to reduce the empty miles to between 10% and 15%. (Kristin Burnham, 2024).

Fraud Detection & Revenue Assurance: In the risk and internal control environment AI algorithms can help us detect anomalies and potential fraud in real-time and further safeguarding our revenue streams. J.P. Morgan has been using the underlying AI-powered large language models for payment validation screening for more than two years. It also speeds up processing in other ways by reducing false positives and enabling better queue management. The result has been lower levels of fraud and a better customer experience, with account validation rejection rates cut by 15-20 per cent. J.P. Morgan is also using AI to automatically show insights to clients, such as cash flow analysis, when they need it (J.P. Morgan, 2023).

Targeted Marketing: If we explore it more, AI can enable hyper-personalised promotions for our customers based on customer behaviour, usage patterns and demographic data. AWS Marketplace offers a wide range of AI tools that help companies in segmenting customer bases effectively and by delivering personalised experiences. Implementing AI customer segmentation can be a game-changer for businesses looking to gain a competitive edge in today's data-driven world (AWS Marketplace, 2025).

Operational Efficiency: Also, the use of Robotic Process Automation (RPA) powered by AI can assist in the reduction of manual tasks in billing, provisioning and complaint handling. Artificial intelligence has arrived in the workplace and has the potential to be as transformative as the steam engine was to the 19th-century Industrial Revolution. With powerful and capable large language models (LLMs) developed by Anthropic, Cohere, Google, Meta, Mistral, OpenAI and others, we have entered a new information technology era. McKinsey research sizes the long-term AI opportunity at $4.4 trillion in added productivity growth potential from corporate use cases (Hannah Mayer, Lareina Yee, Michael Chui, and Roger Roberts, 2025)

THE DOUBLE-EDGED SWORD: RISKS AND CHALLENGES

Despite its advantages, AI adoption doesn't come without baggage, I will run you through a list of contemporary issues that it brings into our workspace and the risks associated with it.

1. Data Privacy and Protection

   As you may be aware AI thrives on data; the more, the better. However, this raises critical questions: Who owns the data once it's fed into AI platforms? How secure is this information? Are AI providers adhering to local and global data protection regulations like GDPR or Zambia's Data Protection Act?

   The biggest concern is that we the end-users, while using these AI tools such as ChatGPT, Deepseek or Google Bard, may unintentionally share sensitive or proprietary company information in the aim of being efficient and effective. Once this sensitive data is uploaded, it may be stored or used to train models, leaving organisations exposed to confidentiality breaches or intellectual property loss because we have no control of our data after we have uploaded on the various platforms.

   The Cambridge Analytica data scandal serves as a powerful illustration of how even seemingly benign data, like that used for academic research or social networking, can be misused with significant consequences. It highlights how data collection practices, particularly when coupled with sophisticated algorithms, can create opportunities for manipulation and harm, demonstrating how data, intended for one purpose, can become a liability when exploited for unintended ones (Duncan McCann, 2019).

2. Dependence on Third-Party Platforms

   We are slowly becoming enslaved due to over-reliance on external AI platforms which may have unclear data retention or sharing policies. Without strict governance, as organisations and companies at large we risk handing over our competitive edge on a silver platter to more data driven and agile competitors who may explore these flaws that AI brings. Overreliance on external platforms creates systemic vulnerabilities. When a leading AI provider changed its API pricing, one retailer's customer service costs surged 300% overnight (TechCrunch, 2023).

3. Job Displacement

   As we all know the big scare that AI brings, automation may lead to workforce reduction in roles deemed repetitive or low value. While new roles may emerge, there's often a gap in re-skilling and realignment. For you and I to remain relevant it's important that we understand the power of utilizing the efficiency and effectiveness that comes with these AI platforms whilst continuously developing in our various skills and professions to avoid being redundant. Amazon's abandoned recruiting AI showed how bias emerges without oversight (Reuters, 2018). The EU AI Act now mandates:

- Algorithmic impact assessments
- Human oversight protocols
- Right-to-explanation clauses

THE POLICY VACUUM

One of my most notable bottlenecks and the most critical in most organisations at current is the absence of an AI Policy Framework. Without it, AI adoption becomes a free-for-all with little control, guidance or accountability. An effective AI policy should address, define what data can be used, how it's stored and who has access. It should establish risk thresholds, review protocols and security layers and ensure transparency in decision-making. Most importantly, it should mandate disclosure and compliance clauses for AI vendors and users to set boundaries for staff interaction with AI platforms to prevent leakage of sensitive data. The policy must be living, breathing and continuously evolving much like AI itself.

WHY DELAYING AI ADOPTION IS A STRATEGIC MISTAKE

Let's not forget Nokia, once the crown jewel of mobile technology, now a case study in delayed innovation. Their failure to recognise the smartphone revolution fast enough cost them everything. Even in industries such as Telco today we are at similar crossroads. By us avoiding AI because of fear or lack of clarity isn't caution, at this point it's negligence. Competitors that harness AI will serve customers better, faster and cheaper. Those who hesitate will find themselves outpaced and outdated just like a Pentium 3 computer today, none are in use or even exist.

Blockbuster's $9 billion bankruptcy from ignoring streaming (Harvard Business School, 2021) serves as a cautionary tale. Organisations delaying AI adoption face:

- 47% higher customer churn (Bain, 2023)
- 35% cost disadvantages (BCG, 2023)
- Talent migration to tech-forward competitors

CONCLUSION

As we stand at the precipice of the Fourth Industrial Revolution, AI presents not just a technological evolution but a fundamental test of organisational courage and vision. Artificial Intelligence is not a future consideration it's today's imperative. Yes, there are risks. Yes, policies are needed. But burying our heads in the sand isn't strategy, it's surrender. The winners in the next phase of the digital era will be those who harness AI responsibly, securely and boldly. Let AI be your competitive advantage and not your Achilles' heel.

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PHOTO FOCUS

A Close-Up of Key Events and a Visual Narrative of the Accountancy Landscape

ZICA President Mrs. Yande Siame Mwenye with distinguished delegates at the EY Sustainability report launch

Guest Of Honour Honourable Robert Sichinga Officially Opened the Inaugural CA Zambia Convocation and Annual Advocacy Awards Ceremony

Hon. Rodney Sikumba, MP Officially Opened the 5th International Executive Retreat

BDO Zambia scooped the Best CA Zambia Practical Training Employer of the year award at the CA Zambia Convocation and Advocacy Awards Ceremony

Mr. Tinashe Jerayuni from BDO Scooped the mentor of the year award at the CA Zambia Convocation and Annual Advocacy Awards Ceremony

International Executive delegates posing for a photo with Dr. Aaron Mujajati and the ZICA President at Savee Beach Resort in Siavonga

International Executive Retreat delegates visiting the Kariba Dam

PHOTO FOCUS

A Close-Up of Key Events and a Visual Narrative of the Accountancy Landscape

ZICA President Presented a shield to outgoing Council Member Mr. Mulendo Siame whose 3 year tenure as Council member came to an end during the ZICA AGM

ZICA President sharing a light moment with Past ZICA Chairman Mr. Fidelis Banda Senior Members Mr. Boniface Chitambala & Mr. Friday Nyambe

ZiCA Council and Management signed the book of condolences for late President of the Republic of Zambia, His Excellency Dr. Edgar Chagwa Lungu, MHSRIEP.

ZICA President speaking at the EY Sustainability report launch

ZICA Vice President Mr. Joseph Matimba officially welcomed Council Kingford Kalobi to the ZICA Council during the the induction meeting

ZICA President Mrs. Yande Siame Mwenye participated in the LAZ Professional Networking game night

Hon. Chipoka Mulenga visited the ZICA stand at the 60th ZITF and was welcomed by the Business Development Manager Mr. Moses Chitoshi

ZICA members enjoying the Aerobics Sessions during the Pre-AGM and AGM

Music legends possing with ZICA President before the ZICA Social night event during the Pre AGM and AGM

The Rising Importance Of Tax Compliance For Smes In Zambia: Challenges And Strategic Solutions

By Rosalyne Musonda Chisanga

Small and Medium Enterprises (SMEs) are the lifeblood of Zambia's economy, contributing significantly to job creation, innovation, and economic growth. Yet, despite their vital role, many SMEs face growing pressure to comply with complex tax laws amidst limited resources and capacity. In recent years, the Zambia Revenue Authority (ZRA) has intensified efforts to expand the tax base, bringing more SMEs into formal taxation systems. This evolving landscape has highlighted the urgent need for robust tax compliance strategies among small businesses.

Tax compliance is no longer a box-ticking exercise; it has become a critical pillar of business sustainability and national development. For many entrepreneurs, however, navigating ZRA regulation such as Turnover Tax, VAT, and PAYE can feel overwhelming. The consequences of non-compliance are steep: from penalties and interest charges to damaged reputations and lost business opportunities.

In this article, we explore the tax compliance challenges that SMEs in Zambia commonly face, and propose strategic, practical solutions to help them stay on the right side of the law. We also examine the crucial role of accountants and tax advisors in guiding SMEs through this dynamic environment, while highlighting how improved compliance can fuel both business growth and national progress.

The Evolving Tax Landscape for SMEs in Zambia

Over the last decade, Zambia has undertaken significant reforms to strengthen its domestic revenue mobilisation efforts. With pressure to reduce the country's fiscal deficit and meet development financing goals, the Zambia Revenue Authority (ZRA) has prioritised expanding the tax base, especially among informal and semi-formal businesses (IMF, 2021).

One of the most notable reforms was the introduction of the Turnover Tax system, which targets small businesses with an annual turnover of less than ZMW 5,000,000. This tax regime simplifies compliance by charging a percentage of (currently 5%) on gross income instead of profit, thereby easing the burden of complex record-keeping (ZRA, 2025). In theory, this should enhance voluntary compliance, but in practice, many SMEs remain unaware or unprepared to meet their obligations.

Furthermore, with the digitisation of tax services through platforms like TaxOnline, the ZRA now has better tools to identify non-compliant businesses. The increasing use of electronic fiscal devices (EFDs), bank reporting, and integrated systems means that SMEs can no longer rely on informality as a protective shield. Non-compliance is more detectable and more penalised than ever before.

In parallel, Zambia's adoption of international tax standards and frameworks like the OECD's Base Erosion and Profit Shifting (BEPS) guidelines has led to stricter enforcement of tax rules across the board (OECD, 2022). Although these changes are geared toward larger corporations, the ripple effect on SMEs, especially those in cross-border trade or supplier chains is tangible.

As these developments unfold, SMEs in Zambia must rethink their tax practices not just to avoid penalties but to position themselves for growth and legitimacy in a formalised economy.

Common Tax Compliance Challenges SMEs Face

Despite policy efforts to simplify taxation, SMEs in Zambia still face several roadblocks that hinder full compliance. These challenges are often structural, educational, and operational in nature.

a. **Limited Tax Knowledge and Awareness**

   Many SME owners lack a clear understanding of their tax obligations. A 2022 survey by the Zambia Chamber of Small and Medium Business Associations found that over 60% of SME respondents were unaware of how or when to file returns for Turnover Tax or PAYE. This knowledge gap often leads to delayed payments, incorrect filings, and accumulation of penalties.

b. **Poor Record-Keeping Practices**

   A large proportion of SMEs do not maintain proper accounting records. Without accurate financial data, it's difficult to compute taxes correctly or provide supporting documentation during audits. This is especially problematic for businesses transitioning from Turnover Tax to Income Tax, which requires clear expense tracking to calculate taxable profit.

c. **Inadequate Use of Technology**

   Although platforms like TaxOnline have made it easier to file returns and make payments, many SMEs particularly in rural or informal areas struggle with digital literacy and internet access. As a result, they either rely on agents (some unqualified) or delay compliance altogether due to system unfamiliarity.

d. **Fear of the Tax System**

   Some SMEs intentionally avoid tax registration due to perceived complexity or fear of punitive enforcement. This mindset is often rooted in negative past experiences, misinformation, or mistrust in government institutions. Unfortunately, this approach exposes businesses to greater long-term risk.

e. **Cash Flow Constraints**

   Taxes are often treated as an afterthought in SME budgeting. Without a dedicated tax reserve or forecasting, many entrepreneurs find themselves unable to meet obligations especially VAT, which can have significant cash flow implications due to its nature as an indirect tax.

These challenges create a vicious cycle where non-compliance leads to penalties, which further strain business finances, leading to more non-compliance.

Strategic Solutions for Improved Compliance

Overcoming tax compliance challenges requires a multi-pronged approach that combines education, systems, and mindset change. While systemic reforms play a role, SMEs must also adopt internal strategies to stay compliant and build resilience.

a. **Invest in Basic Tax Education**

   The first step toward compliance is understanding the rules. SMEs can take advantage of free resources offered by the Zambia Revenue Authority (ZRA), such as tax clinics, online guides, and public awareness sessions. Industry associations and professional bodies like ZICA can also play a vital role in tax literacy by simplifying tax topics through newsletters, workshops, and SME-focused seminars (ZICA, 2024).

Business owners should make it a priority to understand which tax regime applies to them (Turnover Tax, Income Tax, VAT, or PAYE), key deadlines, and how to calculate their tax obligations.

b. Use Simple Accounting Systems

A significant compliance breakthrough can be achieved simply by improving record-keeping. SMEs don't need complex ERP systems basic tools like Excel templates, mobile accounting apps (e.g., Zoho Books, QuickBooks), or even physical ledgers can make a huge difference if used consistently. Better records allow for easier tax filing, improved business decision-making, and smoother audits.

c. Engage Qualified Tax Practitioners

While many small businesses turn to "tax agents" for help, it's crucial to engage licensed professionals who understand Zambian tax law and accounting standards. Qualified accountants can advise on tax planning, ensure proper filings, and help the business navigate audits or disputes. This is not an expense, it's an investment in legal and financial security.

d. Adopt a Proactive Compliance Calendar

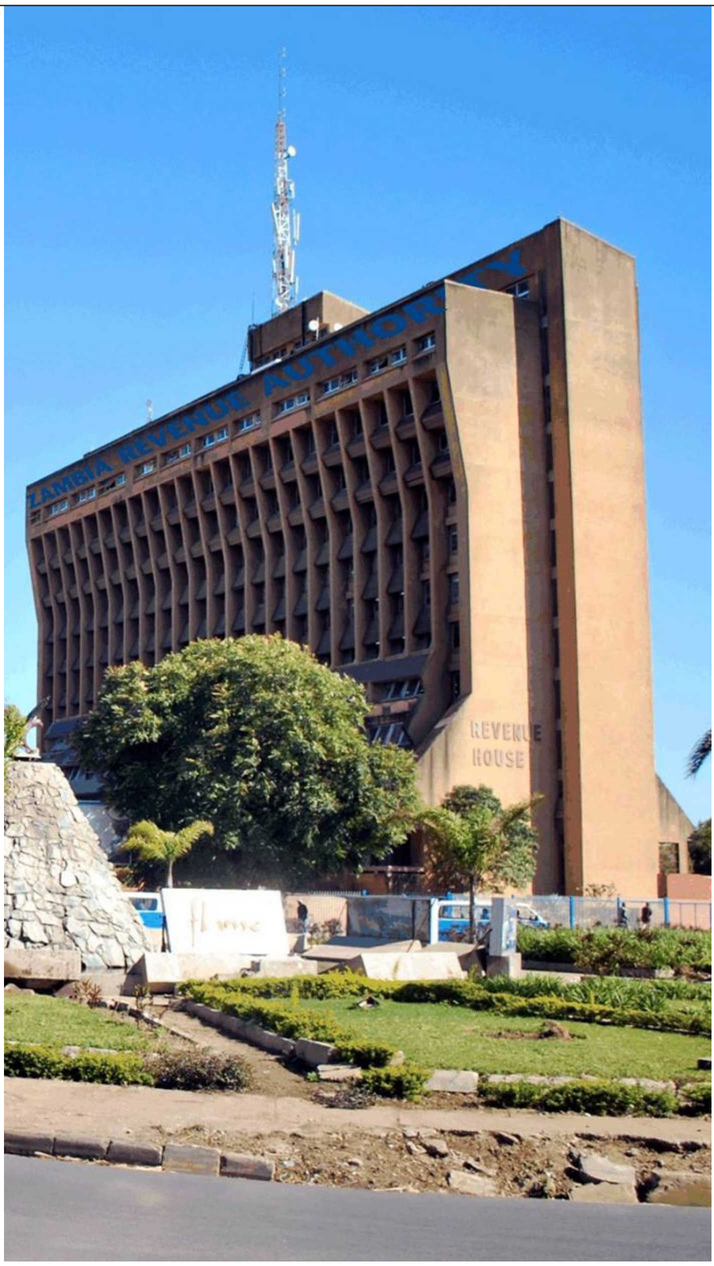
Rather than reacting to tax deadlines, SMEs should adopt a proactive compliance calendar. This includes marking due dates for monthly and annual returns, setting reminders for provisional tax, and conducting quarterly internal reviews. A simple calendar or spreadsheet shared with a trusted tax advisor can dramatically reduce late filings and penalty risks.

e. Shift the Mindset: Compliance as a Growth Tool

Finally, SMEs must stop viewing tax compliance as a burden and start seeing it as a business growth strategy. Compliant businesses are more likely to:

- Access government contracts
- Secure financing from banks and investors
- Build trust with customers and suppliers
- Scale into larger markets with formal structures

By shifting the mindset, entrepreneurs can reposition tax compliance as a key pillar of professional growth and brand credibility.



The Role of Accountants and Tax Advisors

As the tax environment becomes more complex, the role of accountants and tax advisors is more critical than ever especially for small and medium-sized enterprises. These professionals are not just compliance enforcers; they are strategic partners in helping SMEs navigate the regulatory landscape and unlock growth opportunities.

a. Bridging the Knowledge Gap

Accountants serve as interpreters of tax legislation for entrepreneurs who may not have a financial background. They simplify tax obligations, help with registration processes (e.g., for TPIN, VAT, and PAYE), and guide business owners on what records to keep and how. In a tax system that can be difficult to navigate, accountants demystify the rules and reduce legal risk.

b. Strategic Tax Planning

Tax advisors help SMEs go beyond compliance and into planning. This includes advising on optimal business structures (e.g., limited company vs. sole trader), VAT registration thresholds, allowable deductions under Income Tax, and how to maximise tax efficiency while staying within the law (ZRA, 2023). For example, many SMEs miss out on allowable capital allowances or underutilise expense deductions, leading to unnecessarily high tax burdens.

c. Representing SMEs in Tax Audits or Disputes

When SMEs face audits, tax disputes, or penalties, professional accountants can provide representation, negotiation, and resolution. They ensure that the business complies with ZRA's information requests, explain the taxpayer's rights, and provide supporting documentation to prevent escalations. This professional backup can make the difference between a manageable outcome and financial distress.

d. **Driving Digital Compliance**

With the rollout of e-tax systems and digital filing platforms, accountants are also helping SMEs make the digital transition. From setting up TaxOnline profiles to training business owners on e-filing VAT returns, tax advisors enable smoother interactions with regulatory systems and reduce administrative burdens.

e. **Instilling a Culture of Compliance**

Accountants play a vital role in shifting the SME mindset. Through regular check-ins, reporting, and advisory sessions, they help business owners view tax as a legitimate part of business operations not a hurdle. Over time, this fosters a compliance culture that strengthens the business's credibility and future-readiness.

Ultimately, accountants are not just service providers, they are trusted advisors who equip SMEs with the confidence and clarity to thrive in a formal economy.

The Bigger Picture: Tax Compliance and National Development

Tax compliance is often viewed through the lens of obligation, but its impact stretches far beyond the balance sheet of a single business. For developing economies like Zambia, improving compliance among SMEs can unlock transformative national benefits.

a. **Strengthening Domestic Resource Mobilisation**

According to the International Monetary Fund (2021), Zambia's tax-to-GDP ratio remains below the sub-Saharan African average, largely due to a narrow tax base and widespread informality. SMEs account for over 70% of Zambia's employment, yet contribute disproportionately little to tax revenues (Zambia Business Survey, 2022). By increasing compliance within this sector, the country can raise essential funds for health, education, infrastructure, and social protection, without overburdening large taxpayers.

b. **Formalisation and Economic Empowerment**

When SMEs become tax compliant, they are more likely to formalise their operations. This opens doors to financing, business partnerships, and public procurement opportunities. For example, many government tenders require a valid tax clearance certificate, a threshold many SMEs fail to meet due to poor compliance. As a result, tax-compliant SMEs gain a competitive edge in formal supply chains, which accelerates their growth and employment creation.

c. **Reducing Corruption and Informal Rent-Seeking**

A transparent, consistent tax environment supported by digital systems reduces the room for informal "negotiations" with officials. When businesses can register, file, and pay taxes online, without human gatekeepers, the system becomes more equitable and efficient. This improves trust in institutions and reduces opportunities for corruption.

d. **Building a Culture of Shared Responsibility**

At its core, tax is about collective responsibility. A compliant SME sector signals a maturing economy in which businesses acknowledge their role in nation-building. This culture shift from tax avoidance to civic contribution can lay the foundation for more sustainable governance, better services, and inclusive development.

Conclusion

Tax compliance is no longer optional for Zambia's small and medium enterprises, it is essential. As the regulatory landscape evolves and enforcement becomes more targeted, SMEs must rise to the challenge not only to avoid penalties but to secure their place in a rapidly formalizing economy.

While challenges like limited knowledge, poor record-keeping, and cash flow constraints remain real, they are not insurmountable. Through practical strategies, such as investing in tax education, engaging qualified accountants, budgeting for taxes, and adopting digital systems, SMEs can build a culture of compliance that fuels credibility and growth.

Equally, tax practitioners and professional accountants must step forward not just as compliance officers but as strategic partners, educating, guiding, and empowering SMEs toward long-term sustainability. With their support, small businesses can move from surviving to thriving in a competitive, rules-based market.

Ultimately, widespread SME compliance strengthens Zambia's domestic resource base, fosters transparency, and enhances national development. When small businesses do the right thing, the whole country wins.

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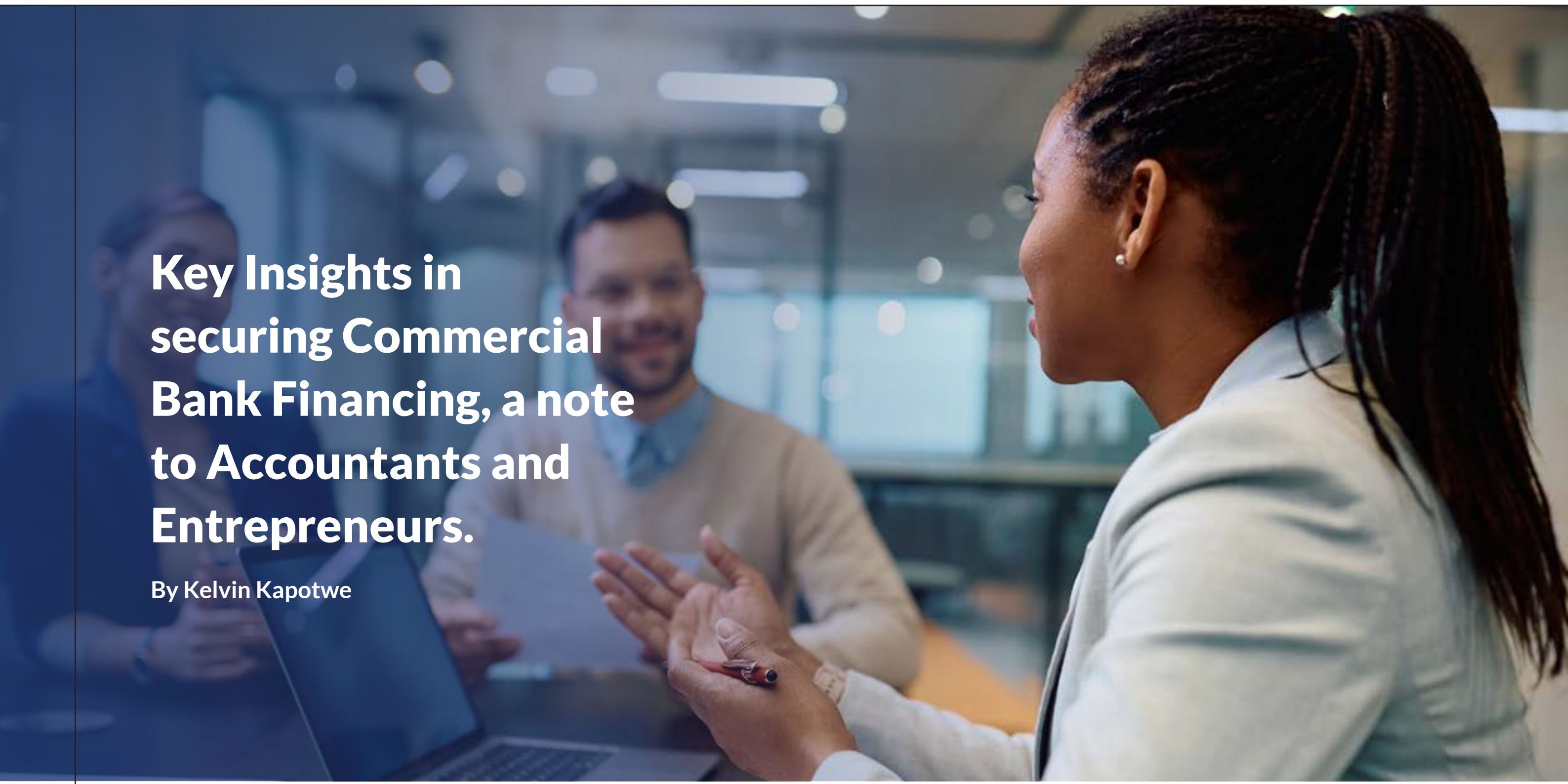

Key Insights in securing Commercial Bank Financing, a note to Accountants and Entrepreneurs.

By Kelvin Kapotwe

Debt financing is one of the key sources of finance in a business as such it is important for accountants to understand the commercial banks credit road maps. Having worked in a bank for over a decade now, I have come to realise that there is always a gap in understanding commercial banks especially where financing is involved. As Accountants and Business owners we must first start by understanding the source of the money that commercial banks lend and must also understand the regulatory framework applicable to commercial banks. Secondly, we must agree to the fact that credit is not accounting, as such your good number will not be the only basis for a credit decision, but this is not to overrule the importance of Financial Statements in credit decision.

Banks are financial intermediaries; their role is to source funds from the surplus units (Depositors) in an economy and distribute those funds to deficit units (Borrowers), as such Banks apply stringent processes to ensure depositors funds are safeguarded at all costs. Below is what a typical credit Analyst will look at to make a credit decision.

1. Know You Customer.

In my duties as Relationship Manager representing the bank, it is key for me to gather as much information as possible about the would-be Borrower, obviously the question would be that banks already collects this information on opening account. True, but the KYC a credit analyst does is more than that of knowing the address of the borrower, here the analyst is seeking to know the customer in more details for example, does the applicant have a legal capacity to borrow? Is the applicant of a sound mind? Has this customer borrowed before, or do they have running facilities with other financial institutions? What has been their track record? Who does the articles of association permit to borrow and how much can that individual borrow? Who are the sponsors of the entity? These questions speak to desirability, and a company seeking to borrow money must be willing to provide such information to help the lender make an informed decision.

2. Purpose of funds.

No customer must have the luxury of suddenly having the monies they can use for any thing they wish, this is for lottery winners, therefore it is a rule of credit to understand the purpose of the funds being sought for no matter how good a customer seems. What a credit analyst is looking for here is to make sure the purpose of funds is linked to the core operations of a company and that the money will help improve efficiency and profitability to enable the borrower to repay the loan. Secondly the analyst wants to determine the type of credit facility that can best suit the problem their customer is having for example a farmer may need money to buy a tractor, combine harvester, construct a dam, farming inputs etc, giving this information will help a credit analyst determine the suitable facility and the structure. Imagine 15 years seasoned farmer borrowing money to start their mining operations in Kalulushi, this will raise serious questions, the risk of defaulting will be high given the experience and known operation of the business.

3. Amount Requested.

The amount you wish to borrow is crucial in credit decisions. Sometimes, people request more money than needed or less, hoping for approval. A customer who downplays their need creates doubt for the credit analyst. This suggests that you have less understanding of your business and lending money to you may be risky. In the same vein asking for more than you need may suggest diversion of funds increasing the chances of defaulting.

Asking for little is quite common, let us look at a farmer who is looking to expand their cropping area, obviously what would be key is the money to clear the bush, irrigation and a farmer might approach you requesting for a development loan but is the term loan enough to help the farmer? Have they investigated other additional factors like the additional working capital that will arise from the expansion? Or we need to factor in an overdraft to cover the gap? Does the farmer have enough equipment or perhaps we could consider asset financing as well? Understanding the amount is critical so as accountants and business owners we must endeavour to provide this information in all honest.

"Every loan request must clearly link to the core operations of the business to reduce the risk of default."

4. Source of Adjustment.

The source of adjustment are the means to repay the facility, a credit analyst will seek to understand how the facility will be repaid before making a credit decision. What we need to understand here is that a loan may be paid from a sale of an asset or from cash flows generated from operations. Another important thing to understand is that a credit analyst is always aware that due to the funds provided, some assets may increase to trigger ability to repay the loan e.g stock financing may increase inventory and receivables that can be liquidated to cash enabling the customer to repay the loan or a machinery financed will help the business by improving capacity and efficiency and this must be reflected in the capacity to earn, therefore your cash flow projections and assumptions must be realist to reflect this. Therefore, the bank needs to ensure your business can generate enough margins to pay the loan.

The other thing that must be addressed here is a formidable business case. The credit analysis needs to understand about your business operations questions like, who owns the business? How long have you been operating? Who are the key management personnel? What level of qualification and experience do they have? How well do they understand the environment in which they operate in? The question provides information in your ability to generate enough cash flows to service debt.

5. Financial Analysis.

Financial Analysis helps credit analysts to answer a question: How can I verify that I will be paid and when will I be paid? This is where banks will request for Audited Financial Statements for business customers the essence is to understand the historical financial performance and position of a company. As accountants we understand historical information is irrelevant to future decision, but the fact is that it provides a basis and trends on which future decisions are based. The financial statement will demonstrate the business's ability to generate profit and most importantly its ability to remain financially liquid.

Additionally, cash flow forecasts must be provided and they must demonstrate the business will be able to generate enough cash to repay the loan. Below are some of the key financial ratios that must be satisfactorily to aid a credit decision.

	Note	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2025	31/12/2025
Report type (ZMW'000)		Audited	Audited	Audited	Audited	Customer Projections	Bank Base Case	Bank Stressed Case
Revenue		150,000	165,000	185,000	200,000	350,000	285,000	265,660
Cost of sales		85,000	106,000	108,000	180,000	185,000	185,000	186,850
Operation expenses		35,000	48,000			78,000	78,000	78,000
Interest		2,000	2,000	2,000	1,800	2,500	2,500	2,500
Depreciation		10,000	10,000	10,000	10,000	10,000	10,000	10,000
Profit before tax		18,000	20,000	10,000	65,800	74,500	9,500	12,990
Tax		1,000	1,000	1,000	1,000	1,000	1,000	1,000
Profit for the year		17,000	19,000	9,000	67,800	73,500	8,500	13,330
Balance Sheet	Note	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2025	31/12/2025
Property Plant and Equipment		180,000	176,000	200,000	210,000			
Current Assets		181,000	181,000	199,000	200,000			
Inventory		86,000	83,000	90,000	65,000			
Receivables		80,000	80,000	84,000	60,000			
Cash		15,000	18,000	25,000	75,000			
Total Assets		361.000	356,000	398.000	410,000			
Equity		311,000	316,000	358,000	351,500			
Non-current Liability		-	-	-	-			
Current Liability		50,000	40,000	41,000	58,500			
Overdraft		15,000	15,000	15,000	13,500			
Payables		35,000	25,000	26,000	45,000			
Total Equity and Liabilities		361,000	355,000	399,000	410,000			
Income Statement Metrics	Note	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2025	31/12/2025
EBITDA		30,000	12,000	22,000	55,000	87,000	22,000	200
Gross Profit margin		43%	36%	42%	10%	47%	35%	30%
EBITDA Margin		20%	7%	12%	28%	25%	8N	0%
Net Profit Margin		11%	12%	5%	34%	21%	3%	- 5%
EBITDA Interest cover		15	6	11	-31	35	9	0
Debt Metrices	Note	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2025	31/12/2025
Gross Debt/EBITDA		0.50	1.25	0.68	-0.25	0.00	0.00	0.00
Net Debt/EBITDA		-	0.25	0.45	1.12	-	-	-
EBITDA Interest cover		15	6	11	-31	35	9	0
Debt/Equity		0.05	0.05	0.04	0.04			
Liquidity & Working Capital Cycle	Note	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2025	31/12/2025
Current ratio		3.62	4.53	4.85	3.42			
Trade receivable days		196	177	168	110			
Inventory days		389	289	304	132			
Trade payable days		150	87	88	91			
Working capital cycle		414	379	382	150			
Free Cash Flow Calculation								
EBITDA		30,000	12,000	22,000	55,000	87,000	22,000	200
Tax		1,000	1,000	1,000	1,000	1,000	1,000	1,000
Maintenance capex		2,000	2,000	2,000	2,000	2,000	2,000	2,000
Working capital changes			7,000	10,000	68,000	80,000	17,000	17,000
Add financing activities		-	-	-	-	-	-	-
Free Cash Flow		27,000	2,000	9,000	10,000	164,000	36,000	14,200
Interest		2,000	2,000	2,000	1,800	2,500	2,500	2,500
Capital Repayment		-	-	-	-	-	-	-
Total Debt service		2,000	2,000	2,000	1,800	2,500	2,500	2,500
Net cash after debt service		25,000	-	7,000	8,200	161,500	33,500	11,700
Debt Service Cover Ratio (DSCR)		13.50	1.00	4.50	5.56	65.60	14.40	5.68

The figures provided are for learning purposes only and may not be entirely accurate.

Income Statement Metrics.

Revenue:
A business must exhibit growth in their year-on-year revenue, a business with a declining revenue trend raises concerns, however in practice this may be due to adverse economic performance across sectors for example in the 2023/24 farming season most agricultural businesses had a decline grow in revenue due to the effects of the drought. This is expected but a continuous declining trend cause for investigation and a solid explanation. Be clear to state the revenue drivers, help the reader understand your product mix and how you make money. For example, for a farmer make it a point to disclose the crops, area cultivated and the average prices. This helps a credit analyst compare your performance year on year.

Gross Profit Margins:
The gross profit margin is a crucial performance metric that credit analysts examine. It reflects the business's ability to manage production costs effectively in order to maximise profit. As the initial profitability metric, gross profit sets the foundation for subsequent bottom-line profits. The gross profit margin is calculated as the percentage of gross profit relative to total sales revenue. Credit analysts seek growth and consistency in this metric, as a declining trend may indicate increased costs, reduced revenue, inefficiencies in the production process, etc. Therefore, it is essential to provide the necessary information to facilitate a credit decision.

EBITDA Margin:
EBITDA stands for earnings before interest, tax, depreciation, and amortisation. Often utilised as a proxy for cash flow, for credit analysts, estimating the potential cash generation of a business is crucial, and EBITDA provides the most accurate approximation by excluding non-cash adjustments such as depreciation and amortisation, as well as adjusting for tax and financing effects. This metric reflects the actual profit generated from operations. Similar to gross profit margins, credit analysts seek growth and consistency in this metric, which is influenced by revenue changes and cost management, including both cost of sales and operating expenses. Prepare to address any queries regarding this information, as it plays a critical role in forming a credit decision.

Net Profit Margins:
Net profit measures a business's financial performance. A steady or improving margin is ideal, as net profit impacts the equity section of the financial position through retained earnings. Losses or declining trends in net profits raise concerns, prompting further investigation by credit analysts. Banks can still lend to businesses with losses or declining trends but must minimise risk with sufficient collateral, parental support, and other non-financial factors.

Debt Metrices.

Gross debt/EBITDA:
This financial ratio indicates the company's ability to pay off total debt using its earnings before interest, tax, depreciation and amortisation. Essentially a credit analysis uses this metric to determine the period it would take a company to pay their debt from their earnings. Here debt includes all long- and short-term interest-bearing debt, the lower the ratio the better. A ratio of 3x or less is desirable but this is not to overrule the fact that the ratio may vary from industry to industry. In the numbers above we can see that this company had leverage until 2024 when their EBITDA could not cover debt due to the compression in margins.

Net debt/EBITDA:
Just like gross debt/EBITDA, this financial ratio that measure the company's financial leverage and its ability to repay its net debt (Gross debt less cash & cash equivalents), it also looks at the period a company will take to pay its net debt using their EBITDA. The lower the ratio the better in the numbers above we can see that this company has a lower ratio in 2024 but interestingly the FY2021 and FY2022 indicates negative ratios meaning the company's debt is fully liquidated by the cash position in the business which is an indication of financial stability.

EBITDA/Interest Cover.
This ratio evaluates the company's ability to cover interest expenses from EBITDA. A higher ratio suggests the company can easily cover its total debt interest. Historically, our dummy company has maintained a satisfactory ratio above the 2x benchmark.

Debt/Equity.
The debt to equity ratio measures a company's debt relative to its equity, also known as gearing. This essential ratio helps credit analysts assess a business's capital structure. It indicates the shareholders' investment in the company, providing comfort to bankers about how shareholders value their business. Ideally, a 50/50 split between debt and equity is desirable, though this can vary by industry. In the example above, only 5% of the total capital is debt, while 95% is funded by shareholders.

In conclusion, bankers evaluate various factors affecting your business before making a credit decision. One key factor considered is the risk profile of the company, its shareholders, and directors. The security package is aligned with industry standards to ensure reasonable recovery in case of foreclosure. Additionally, the support from shareholders, such as shareholder loans or loans from related parties, the quality of your debtor book, and other working capital-related measures are also evaluated. The customer's projections are reviewed by normalizing the forecast based on historical long-term averages and slightly stressing key factors like inflation to ensure sustainable metrics.

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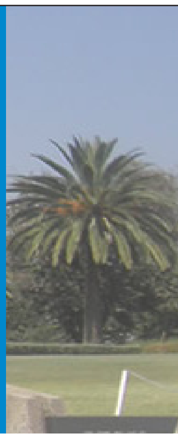
ZICA COMMENTS ON THE TAX AMENDMENT BILLS



1. INCREASE IN WITHHOLDING TAX ON GOVERNMENT SECURITIES (FROM 15% TO 20%)

Government's Objective

- **Revenue Mobilisation:** The primary aim is to increase government revenue from interest earned on government securities, including Treasury Bills and Government bonds.
- **Alignment:** The change seeks to align the withholding tax rate on government securities with the rate applicable to other interest payments to non-residents, promoting consistency in the tax regime.

Mechanism

- **Withholding at Source:** Financial institutions and other payers will be required to deduct 20% withholding tax from interest payments on government securities before remitting the net amount to investors.
- **Scope:** Applies to both resident and non-resident investors in government securities.

Targeted Taxpayers

- **Directly Targeted:** Holders of government securities (Treasury Bills and Government bonds), both individuals and institutional investors, resident and non-resident.
- **Indirectly Targeted:** Financial institutions acting as paying agents.

Affected Parties

- **Direct:** Investors in government securities, including pension funds, insurance companies, banks, and individuals.
- **Indirect:** The Zambian government (as a borrower), financial markets, and the broader investment community.

Economic and Business Impact

- **Reduced After-Tax Returns:** Investors, especially non-residents, will see a reduction in net yields, potentially making Zambian government securities less attractive relative to other markets.
- **Foreign Investment:** The higher tax may deter foreign investors, leading to reduced demand for government securities, possible capital outflows, and pressure on the Kwacha.
- **Government Borrowing Costs:** To maintain investor interest, the government may need to offer higher coupon rates, increasing the cost of borrowing and potentially widening the fiscal deficit.
- **Operational Disruption:** Financial institutions will need to update ERP and payment systems mid-year, incurring unbudgeted IT and compliance costs.
- **Market Volatility:** Sudden changes may cause short-term volatility in the bond market as investors adjust portfolios.

Practical Recommendations

- **Phased Implementation:** Consider a transitional period (e.g., apply the new rate only to securities issued after a certain date) to allow investors and financial institutions to adjust.
- **Stakeholder Engagement:** Conduct targeted consultations with major investors and financial institutions to assess the likely impact on demand and market stability.
- **Impact Assessment:** Commission a rapid impact study on the potential effects on government borrowing costs and foreign exchange stability.
- **Clear Guidance:** Issue detailed administrative guidelines and FAQs to ensure smooth implementation and compliance.
- **Review Mechanism:** Build in a review clause to assess the impact after 12 months and allow for adjustments if negative effects on investment or fiscal costs are observed.

2. INTRODUCTION OF A MINIMUM ALTERNATIVE TAX (MAT) AT 1% OF TURNOVER

Government's Objective

- **Counter Tax Avoidance:** The MAT is designed to ensure that all businesses with significant turnover contribute a minimum amount of tax, even if they report low or no taxable profits due to aggressive tax planning or loss carry-forwards.
- **Broaden the Tax Base:** The measure aims to capture revenue from businesses that might otherwise pay little or no income tax, thereby increasing overall tax collections.

Mechanism

- **Calculation:** Taxpayers will calculate their normal income tax liability and also compute 1% of their total turnover. The higher of the two amounts becomes the tax payable.
- **Credit System:** If MAT is paid, it can be credited against future income tax liabilities for up to five subsequent charge years.
- **Exclusions:** MAT does not apply to taxpayers already subject to presumptive tax or turnover tax regimes.

Targeted Taxpayers

- **Directly Targeted:** All companies and partnerships with significant turnover, except those under presumptive or turnover tax regimes.
- **Indirectly Targeted:** Sectors with high turnover but low profit margins (e.g., retail, mining, agriculture, and manufacturing).

Affected Parties

- **Direct:** Medium and large businesses, especially those with thin profit margins or cyclical losses.
- **Indirect:** Suppliers, employees, and customers of affected businesses, as increased tax costs may be passed on.

Economic and Business Impact

- **Increased Effective Tax Rate:** For many businesses, especially those with low profitability, the MAT will raise the effective tax rate above the statutory 30%, potentially reaching 33–35% for some sectors.
- **Cash Flow Strain:** Businesses recovering from losses or operating on thin margins may face significant cash flow challenges, as MAT is based on gross turnover, not profit.
- **Sectoral Disincentives:** Sectors with government policy incentives (e.g., agriculture, agro-processing, mining) may see these eroded, undermining diversification and investment objectives.
- **Compliance Burden:** Mid-year implementation will require urgent ERP and accounting system changes, staff training, and possible re-budgeting, all of which are unplanned and costly.
- **Risk of Double Taxation:** Unclear interaction with existing turnover tax regimes could result in double taxation for some small businesses.
- **Investment Deterrence:** The MAT may discourage investment in sectors with high turnover but low margins, or in businesses with long gestation periods.

Practical Recommendations

- **Thresholds and Exemptions:** Introduce a turnover threshold below which MAT does not apply, to protect small and medium enterprises and sectors with thin margins.
- **Sectoral Carve-Outs:** Exempt or provide reduced MAT rates for priority sectors (e.g., agriculture, mining, manufacturing) to preserve existing policy incentives.
- **Clarify Scope:** Issue clear guidance on the interaction between MAT and existing turnover/presumptive tax regimes to avoid double taxation.
- **Transitional Arrangements:** Allow for a grace period or phased introduction (e.g., apply MAT from the next charge year) to enable businesses to adjust systems and budgets.
- **Stakeholder Consultation:** Engage with business associations, ZICA, and sectoral bodies to refine the design and implementation of MAT.
- **Administrative Simplicity:** Ensure that MAT declaration and payment are integrated into existing corporate income tax returns to minimise compliance complexity.

Bouncing Back from Career Setbacks as an Accountant: *A Roadmap to Reinvention*

By Nkabwela Gerald Banda

In the world of accounting—a profession grounded in precision, trust, and consistency—career setbacks can feel deeply personal and professionally devastating. Whether it is being laid off, facing a demotion, losing a key client, burning out, being part of corporate downsizing, or failing a critical exam, such moments can shake even the most seasoned accountants to their core.

However, setbacks, while painful, are not the end. They are often the beginning of a powerful journey toward growth, resilience, and reinvention. This article explores the steps accountants can take to bounce back from career challenges and not only regain their footing but also emerge stronger and more capable than ever before.

Understanding the Nature of Career Setbacks

Career setbacks are a natural, albeit difficult, part of professional life. In the accounting profession, common examples include:

- Job loss due to downsizing or restructuring
- Failing ACCA, CIMA, CA Zambia, or other professional certification exams
- Losing a key promotion to a peer
- losing a key client
- Burnout from overwhelming workloads or ethical conflicts

While these experiences can trigger feelings of inadequacy, shame, or frustration, they are also opportunities for reflection and realignment.

STEP 1: Acknowledge and Accept the Setback

The first step in recovery is acknowledgment. Too often, professionals try to minimise or suppress the emotional toll of a setback—but denial can delay healing.
Instead:

- Allow yourself to grieve: Job loss or failure can feel like mourning a version of yourself. It is okay to process it emotionally.
- Avoid self-blame: Accounting is a high-stakes field with many moving parts. Not every failure is a reflection of your competence or character.
- Separate identity from title: You are more than your designation. Recognizing this is key to rebuilding your professional self-worth.

STEP 2: Conduct a Post-Setback Audit

Every accountant knows the value of an audit. Conducting a personal "career audit" helps identify root causes and areas for improvement. Ask yourself:

- What exactly went wrong? Were there external factors beyond my control?
- What warning signs did I ignore?
- How did I respond under pressure?
- Did I have the right support systems in place—mentors, colleagues, or networks?

Think of this audit as a neutral tool—like a balance sheet. It is not about blame; it is about clarity.

TIP: *Create a journal or spreadsheet to log your thoughts. Categorise them into technical, interpersonal, and situational issues. This helps organise reflection and prepares you for strategic planning.*

STEP 3: Rebuild Your Confidence Through Small Wins

After a setback, your professional confidence may feel shaken. Rebuilding it through small, intentional victories can make a significant difference:

- Completing a short course or CPE (Continuing Professional Education)
- Mastering new tools like Power BI, SAP, Excel dashboard modelling, or QuickBooks Online
- Volunteering financial skills for a nonprofit or community organisation
- Mentoring a junior colleague or student
- These wins create momentum and help restore a sense of agency.

STEP 4: Seek Feedback and Mentorship

In accounting, feedback is essential—not just on financial statements but on personal performance. After a setback, reach out to mentors, peers, or former supervisors:

- What strengths do you see in me?
- What areas should I focus on improving?
- If you were in my shoes, what would you do next?

Do not isolate yourself—your professional network matters most in challenging times. Consider attending networking events hosted by ZICA, ACCA, CIMA, or join online forums and LinkedIn thought discussion groups.

STEP 5: Upskill with Purpose

The accounting industry is evolving rapidly. Artificial Intelligence, Cloud computing, data analytics, and ESG reporting are reshaping the field. A career setback can be a perfect opportunity to retool.
Focus on high-impact areas aligned with your strengths and market demand:

- From audit to strategy? Learn financial modelling or business valuation.
- Tech-inclined? Explore certifications in data analytics or ERP systems.
- Seeking work-life balance? Consider internal controls, compliance, or education.

Strategic upskilling is about sharpening your edge—not just collecting certificates.

STEP 6: Reframe the Narrative

Eventually, you will be asked about your setback—during an interview, at a networking event, or by friends and family. How you tell that story matters.

Use this structure:
1. Context – Briefly explain the situation without blame.
2. Challenge – Acknowledge the personal and professional impact.
3. Response – Describe how you reflected and took action.
4. Outcome – Highlight growth, skills, or mindset gained.

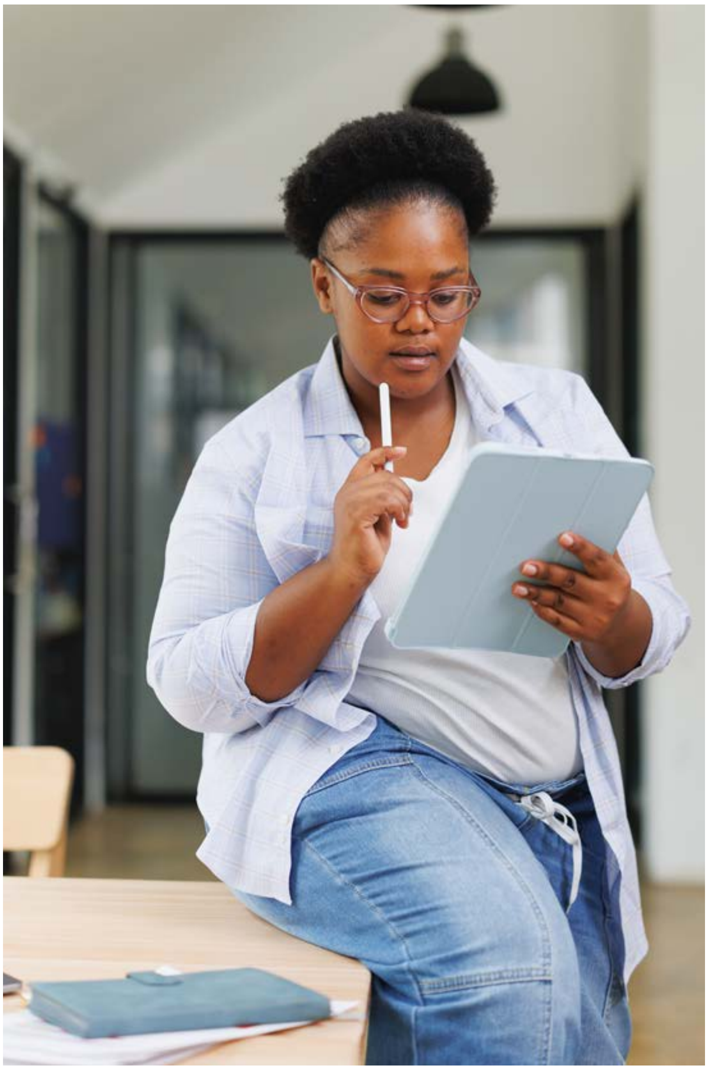
EXAMPLE:
"After a company-wide restructuring, I was laid off along with several colleagues. It was a shock, but I used the time to enhance my qualifications and deepen my skills in financial forecasting. I am now better positioned for strategic finance roles and more confident in my long-term value."

STEP 7: Explore New Career Pathways

Sometimes, bouncing back means pivoting—not retreating. If your old role no longer aligns with your values or interests, consider new paths such as:

- Forensic Accounting – Ideal for detail-oriented professionals
- Financial Planning & Analysis (FP&A) – Merges strategy and budgeting
- Sustainability Reporting or ESG Auditing – A rising field
- Accounting Education/Training – For those who love teaching
- Freelance CFO/Consulting – Offers flexibility and autonomy

Your core accounting expertise remains relevant—you are just applying it in a new context.



STEP 8: Strategise the Job Hunt (or Reintegration)

If your setback involved job loss, re-entering the market can be daunting—but manageable:

- Tailor your resume: Highlight achievements, lessons learned, and growth.
- Address gaps honestly: Share what you learned and how you have improved.
- Prepare for interviews: Practice behavioral questions about failure and recovery.
- Consider contract or freelance work: Useful for income and experience.

If remaining in your current job after a setback:

- Set performance goals with your supervisor
- Ask for regular feedback
- Volunteer for high-impact projects
- Shift your mindset: return with renewed energy, not shame

STEP 9: Prioritise Mental Health and Well-being

Career setbacks can take a toll on mental health. As accountants, we are trained to manage financial risk, but not always personal stress.

During recovery:

- Establish routines: Sleep, exercise, and nutrition
- Seek support: A coach or therapist can help
- Practice mindfulness: Journaling, prayer, or meditation
- Set boundaries: Do not overcommit during recovery

Resilience is not just about endurance—it is about renewal.

ADDITIONAL TIPS

- Stay Positive: Focus on growth opportunities
- Be Patient: Recovery takes time
- Celebrate Small Wins: Every milestone matters

CONCLUSION:

Reinvention Is a Form of Mastery
Bouncing back from a career setback as an accountant is not linear. It demands emotional intelligence, strategic thinking, and courage. It is also an invitation—to rediscover your strengths, realign your goals, and reimagine your professional future.

The next version of your career can be smarter, more fulfilling, and more aligned with who you truly are.

If you are reading this and facing a professional setback, remember: you are not alone, you are not broken, and this is not the end. It is the beginning of a comeback story—and perhaps, your finest chapter yet.

FINAL THOUGHT

"Failure is not falling down but refusing to get up." — Chinese Proverb

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Accounting and the cult of busy-ness

Accountants are notoriously busy. 'Busy' is also the only acceptable answer to questions like 'How are you?' and 'How's work?'. If you were to answer in any other way, for instance explaining that things are 'chilled' at the moment, you would be revealing that you are not making budget and that others in the company are carrying you.

Being 'busy', while stressful and lamentable, is also an occupational expectation (for some a badge of honour). It demonstrates that one is a team player, that one's professional skills are in demand, and that one is a dependable contributor to the whole.

Behind the cult of busy-ness, however, lurks moral, professional, and social concerns. For the individual, the time and energy dedicated to work can hamper the pursuit of happiness or a flourishing human life. For the profession, a lack of work/life balance can make the profession less attractive in an era abuzz with concepts like 'the four-hour work week', 'agile working' and 'wellbeing'. For society, under-resourced professions with members on the verge of burnout is a risk – be in the fields of healthcare, audit, or national prosecution.

A recent review of ethics issues in the accounting profession flagged 'work climate' and 'pressure' as ongoing concerns[1]. The authors of the review describe high-pressure environments caused by, among other things, profitability concerns and reporting deadlines, which ultimately result in a culture of long working hours and high levels of stress.

This dynamic has also become self-perpetuating. New entrants into the profession are inculcated into the cult of busy-ness, adopt a focus on productive and recoverable hours, and believe that the rewards will be reaped later in their career. As the authors note, however, 'by the time … junior staff reach leadership ranks they have so bought into this culture of long hours and putting work above other life commitments that they feel trapped in and helpless to change the culture …'[2].

Beyond the personal sacrifices and the risks related to the recruitment and retention of talent, the pressure experienced within the profession also threatens the public interest. Researchers warn that time and resource constraints can lead to the rationalisation of lower-quality work, as well as other unethical behaviours such as 'premature signoff' and 'underreporting of time'[3].

To address these concerns will require more than wellness workshops and time management training. These initiatives ironically make more time demands on professionals while also privatising stress – implying that issues with deadlines and workload are the responsibility of the individual and can be solved with improved self-management.

Instead, we may need to add a new 'threat to professional integrity'. Beyond the threats of self-interest, self-review, advocacy, familiarity and intimidation, we should add a 'pressure' or 'resource' threat. This threat requires safeguards that are more ambitious, including a re-calibration of the profession to restore balance between professional and commercial considerations, the recruitment of more people to the profession, and the adequate resourcing of teams.

- *Source: https://charteredaccountantsworldwide.com/accounting-and-the-cult-of-busy-ness/*

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2. *Ibid, p 9.*
3. *Ibid, p 10.*

Author:

Schalk Engelbrecht

Schalk Engelbrecht, PhD, is the Chief Ethics Officer for KPMG South Africa and a research associate at the Centre for Applied Ethics at Stellenbosch University as well as the Stellenbosch University Business School.

About ZICA Benevolent Fund

The ZICA Benevolent Fund was established in 1995 for the sole purpose of supporting ZICA members and their families through periods of hardship. Difficulties for members can arise for reasons outside their control, such as serious illness, death or a prolonged period out of work

Objectives

The principal objective of the Fund is to raise and maintain funds to assist Members and their families in times of need. At inception, the fund was envisage to cater for a mirage of circumstances that may afflict members.

However, due to constraints in financial resources, the assistance is currently restricted to payment of school fees for children of deceased members.

Contributions and Beneficiaries of Fund

Benevolent Fund contributions are restricted to Fellows and Associates of the Institute. So far the fund beneficiaries are drawn from only Fellows and Associates members because they are the only eligible contributors. The fund has been assisting several children of deceased members to get an education.

Fund Management and Administration

The fund depends on volunteers for all its administrative work. The audit services for the fund are provided probono by HLB Reliance.

The major source of income for the Fund include contributions by members, donations and interest on investments. The income is invested in interest bearing financial instruments. The Fund assists beneficiaries by awarding educational grants to children of deceased members.

How Can I Donate?

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2	Beatrice Phiri	F002515
3	Daniel Mukumbi	F004889
4	Mpimpa Mwanza	F005246
5	Sydney Chipundu	F006110
6	Clara Ashley Jikanza	F006302
7	Mponda Acrid Mtowa	F007911
8	Manjusha Menon	F011936
9	Nyirenda Simon	F012330
10	Florence Machalo	F012345
11	Foster Mwanza	F002264
12	Moscane Hampongo	F004820
13	Kanene Kendell	F005801
14	S Shulikwa Chikonka	F005904
15	Chama Mwewa	F006596
16	Chipyoka Francis Chongo	F007162
17	Mwansa Emmanuel	F007664
18	Caesar Longwa Masikini	F009043
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20	N`cube Christabel	F010096
21	Chana Banda	F010286
22	Naggai Simukoko	F011042
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28	Edwin Paul Mulenga	F001805
29	Samboko Choolwe	F005102
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31	Chama Nkandu	F008823
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33	Nkaka Kasonde	F011395
34	Lancy Sinkala	F011544
35	Siwali Nande Sharon	F011978
36	Tembo Noah	F012250
37	Nachibinga Mutinta	F012386
38	Mungo Gwebente	F012404
39	Blair Phiri	F012415
40	Cecilia Kalenga Mwansa	F002078
41	Anna Zulu	F003417
42	Given Mazimba	F004652
43	Wabei Catherine Mutafu	F004738
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46	Given Tanyaradzwa Nyamvura	F012395
47	Martha Ndhlovu	F012422
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50	Shanmugalingam Shanmugasee	F012464
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3	Mirriam Tongwaa	A005871
4	Jilapi Enock	A005945
5	Muleya Henry	A006201
6	Chungu Fillingston	A006776
7	Addin Milambo	A006898
8	Banda Rhoda	A008094
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10	Angela Mwiba	A010031
11	Sikazwe Newton	A010939
12	Mbangweta Mbangweta	A011818
13	Mungaila Hanyama	A012056
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17	Muzala K. Mukuwa	A015625
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20	Prasitha Prasad	A015636
21	Chibowa J K Mukuka	A015667
22	Jane Siluka	A002176
23	Burton Nundwe	A006823
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40	Shalwiindi Dickson	A007456
41	Bupe Mukuka	A007533
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78	Kumwenda Esnart	A011491
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Fitness, Focus, and Finance:
Why Sports Matter for Accountants' Performance

The accountancy profession demands precision, diligence, and long hours of concentrated analysis. Yet, behind every balance sheet and audit report lies the human element: professionals whose performance depends on both mental sharpness and physical well-being. Increasingly, institutions in Zambia are recognising that sports and fitness are not merely recreational pursuits, but vital for sustaining professional excellence.

At its 2025 Annual General Meeting, the Zambia Institute of Chartered Accountants (ZICA) underscored this by introducing an aerobics session themed "Come Ready to Connect, Unwind and Energise." What may have appeared to be a light activity soon proved to be a powerful professional development tool. Members not only exercised but also engaged in a more relaxed environment, building relationships that extended beyond the technical sessions. For many, the activity offered a much-needed reset, improved focus, and enhanced mental preparedness for the demands of their profession.

Sports and fitness are increasingly acknowledged as essential contributors to cognitive performance. Research indicates that physical activity improves memory, reduces stress, and enhances concentration. These are all qualities that accountants require when navigating tight deadlines and complex financial data. In this sense, a morning aerobics session or a weekend football match is not merely leisure; it is an investment in professional performance.

ZICA already holds aerobics sessions every Friday for its staff and plans to extend these activities to all members in due course. Such events also serve as important networking opportunities. Unlike boardroom meetings, where hierarchy often shapes interactions, the sports field levels the playing ground. A chief executive might rely on a junior staff member to score the winning goal, fostering mutual respect and trust. These connections frequently evolve into mentorships, partnerships, and collaborations that benefit both individuals and their institutions. For accountants, where professional networks are as critical as technical expertise, sports create authentic opportunities for meaningful relationship-building.

Fitness also contributes to personal branding. Professionals who demonstrate discipline in maintaining their well-being signal resilience, focus, and leadership qualities that inspire confidence among clients, employers, and peers. At the same time, wellness activities encourage a healthier work–life balance, a growing concern within the profession. Long hours, complex regulations, and client pressures can easily lead to burnout if not balanced with physical and social outlets. By participating in sports days, aerobics sessions, or networking game nights, accountants discover healthier ways to manage stress and remain motivated.

Zambian institutions are leading by example. ZICA's aerobics initiative and other sporting activities highlight a cultural shift in which wellness is becoming firmly embedded within professional practice. These activities demonstrate that fitness is no longer regarded as an optional extra but as a driver of performance, networking, and resilience.

For accountants, staying active is not only about maintaining health but also about sharpening the mind, improving professional output, and sustaining long-term career success.

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26th September 2025, 18:00hrs

Mulungushi International Conference Centre

Participation fee: K1,400 per person (inclusive of dinner). Corporate table of 10: K13,500

Guest of Honour: Dr. Situmbeko Musokotwane MP, Minister of Finance and National Planning

INVITATION TO ATTEND THE 2026 NATIONAL BUDGET ANALYSIS DINNER

The Zambia Institute of Chartered Accountants (ZICA) will be hosting the **2026 POST BUDGET ANALYSIS AT MULUNGUSHI INTERNATIONAL CONFERENCE CENTRE**, Lusaka on 26th September 2025 at 18:00hours.

We wish to cordially invite you to attend this landmark event. Participation fee is **One Thousand Four Hundred Kwacha (K1,400)** per attendee inclusive of dinner.

Corporate table of **Ten (10)** @ **K13, 500** for corporates that would like to have tables designated.

CLOSING date for ticket payments is two days before the event. Those organizations that want a table the closing date is 15th September 2025.

For bookings and payments:

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