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Zambia Extractive Industries Transparency Initiative

*Independent Reconciliation Report for Year End
December 2008*

February 2011



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Caveat

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- This report contains information that has been obtained from the Extractive Companies, Government Agencies and various other sources as indicated in the report. The Independent Reconciler has sought to establish the reliability of these sources and verified the information so provided to the best of their ability given the timing constraints faced by the ZEITI Secretariat and delays in parties providing the requested information. Accordingly, no representation or warranty of any kind (whether express or implied) is given by PricewaterhouseCoopers Limited to any person as to the accuracy or completeness of the information.



Mr Siforiano S Banda
The Head - Zambia Extractive Industries Transparency Initiative Secretariat
Ministry of Mines and Minerals Development
14 Floor - New Government Complex
Independence Avenue,
P.O Box 31969
Lusaka

18 February 2011

Dear Sir,

Subject: Independent Reconciliation Report for Year End December 2008

It is our pleasure to issue the Final Independent Reconciler's Report to the Zambia Extractive Industries Transparency Initiative Council with regards to the Independent Reconciliation for the period January 2008 to December 2008.

The main issues highlighted in our report include the results of the Independent Reconciliation, the challenges we faced and improvements that the ZEC could consider for future reconciliations.

We would be happy to discuss our report with you.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'N Patel', is written above the printed name.

N Patel
Director

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Glossary of Abbreviations

We set out below definitions for abbreviations used in the main body of our report.

Term	Definition
<i>EITI</i>	Extractive Industries Transparency Initiative
<i>GRZ</i>	Government of the Republic of Zambia
<i>MMMD</i>	Ministry of Mines and Minerals Development
<i>PPF</i>	Price Participation Fees
<i>ZCCM - IH</i>	Zambia Consolidated Copper Mines – Investment Holdings Plc
<i>ZEC</i>	Zambia Extractive Industries Transparency Initiative Council
<i>ZEITI</i>	Zambia Extractive Industries Transparency Initiative
<i>ZRA</i>	Zambia Revenue Authority

Glossary of Terms

We set out below definitions for terms used in the main body of our report.

Term	Definition
<i>Extractive Companies/Company</i>	Refers to mining companies involved in the ZEITI Independent Reconciliation for 2008
<i>Government Agencies/Agency</i>	Refers to GRZ agencies involves in the ZEITI Independent Reconciliation for 2008
<i>Independent Reconciler</i>	Firm that is independent from Extractive Companies and Agencies and is engaged to perform the Independent Reconciliation
<i>Independent Reconciliation</i>	A reconciliation between Extractive Companies payments and Agencies receipts undertaken by an independent firm
<i>Over Reported</i>	These are amounts reported by Extractive Companies that are in excess of the amounts reported by Government Agencies
<i>Reporting Templates</i>	Templates provided to Extractive Companies and Agencies to report payments/receipts
<i>Under Reported</i>	These are amounts reported by Extractive Companies that are less than amounts reported by Government Agencies
<i>Validation Process</i>	A necessary process to a country achieving EITI “Compliant” status

Section 1 – Executive Summary



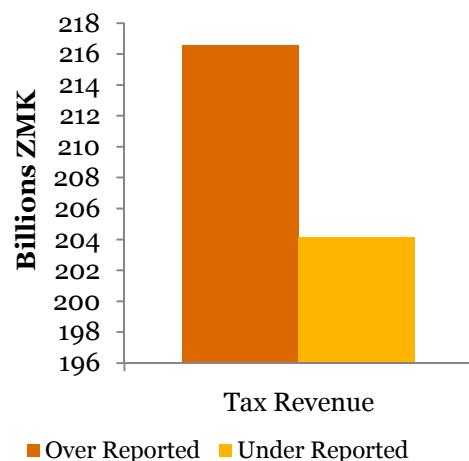
Executive Summary

Zambia has initiated to become a “Compliant” country in the global Extractive Industries Transparency Initiative (“EITI”). To achieve this, Zambia is required to undertake an Independent Reconciliation on selected payments made by certain Extractive Companies with income received by the Government Agencies .

The Independent Reconciliation is part of a wider process for Zambia to become a “Compliant” country and in this regard *PricewaterhouseCoopers Limited* have been engaged as the Independent Reconciler. This report summarises our findings from the first Independent Reconciliation covering the period 1 January 2008 to 31 December 2008.

Summary Results of the Independent Reconciliation

Analysis of Reported amounts



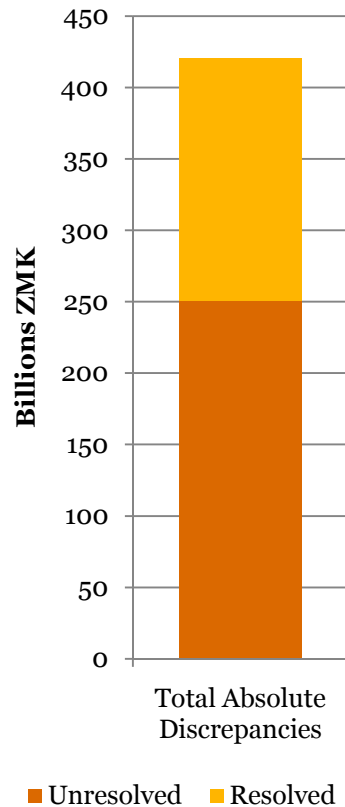
- Based on the submitted Reporting Templates we have identified that Extractive Companies over reported ZMK217bn (approximately US\$58m⁺) and under reported ZMK204bn (approximately US\$54m) in respective Government Agencies.
- The over reported and under reported amounts gave rise to combined discrepancies of ZMK421bn (approximately US\$112m)
- Of the total discrepancies of ZMK421bn (approximately US\$112m), approximately ZMK174bn (approximately US\$46m) of these discrepancies have been resolved, leaving ZMK247bn (approximately US\$65m) of unresolved discrepancies.
- 86% of the unresolved discrepancies have arisen from four payment streams, namely *Non-refundable VAT* (35%), *Import VAT* (26%), *Custom/Import Duty* (16%) and *Corporate Tax* (9%).
- It should be noted that the remaining unresolved discrepancies of ZMK247bn (approximately US\$66m) are **not** necessarily missing payments from Extractive Companies but rather discrepancies which we have been unable to investigate further and conclude there on due to the limited supporting documentation and the limited timeframe of the Independent Reconciliation.

Source: Submitted Reporting Templates

⁺ United States Dollars have been translated at the average rate for 2008 of ZMK 3,752/US \$

Executive Summary

- During the reconciliation process, we identified a number of causes for the discrepancies which included:



Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

- *Inclusion of payments which were not applicable:* Some payments reported were not part of the list of payments selected by Zambia EITI Council (“ZEC”) and therefore outside the scope of the Independent Reconciliation.
- *Timing of payments:* The period for the Independent Reconciliation was January to December 2008. A number of reported payments were made in 2009 which also caused some discrepancies.
- *Reporting of non-cash payments:* The Independent Reconciliation only reviews cash payments made by Extractive Companies to Government Agencies. However it was noted in some cases, the payments reported were accrued amounts and not cash payments and hence caused a number of discrepancies.
- *Payments reported in incorrect payment stream:* Some payments had been incorrectly reported in the wrong payment stream which lead to discrepancies.
- *Exchange rate differences:* A number of payments were reported in only United States Dollars while the corresponding receipts were reported in Zambian Kwacha by the Government Agencies. Discrepancies arose due to exchange differences on translation.
- *Non-respondent Extractive Company:* Where the Reporting Template was not returned to the Independent Reconciler by the Extractive Company, all reported receipts from Government Agencies relating to these two Extractive Companies caused discrepancies.
- *Payments to Zambia Consolidated Copper Mines – Investment Holdings Plc (“ZCCM-IH”):* Included in the selected payments to be reconciled were *Price Participation Fees* and *Dividends from Government Shares*. Both these payments are made directly to ZCCM-IH, who were initially considered by ZEC as a Government Agency. However discussions during the Independent Reconciliation concluded that ZCCM-IH was **not** a Government Agency but rather an independent investment company in which the Government of the Republic of Zambia (“GRZ”) had an equity interest. Where Extractive Companies reported payments with regards to *Price Participation Fees* and *Dividends from Government Shares*, these also caused discrepancies as no receipt was required to be reported by ZCCM-IH.
- For further details on the discrepancies refer to Section 6.

Executive Summary

ZCCM-IH

ZCCM-IH had initially been included in the Independent Reconciliation as a Government Agency by ZEC. This would have required ZCCM-IH to report receipts relating to *Price Participation Fees* and *Dividends from Government Shares*. However when the Independent Reconciler requested a completed Reporting Template from ZCCM-IH, a number of concerns were raised.

These concerns were based on the treatment of ZCCM-IH as a Government Agency as ZCCM-IH advised that although GRZ holds a majority shareholding in ZCCM-IH, there are also a number of other private investors. Further we were advised that ZCCM-IH was a registered public investment entity and not a Government Agency.

These concerns were brought to the attention of ZEC who concluded that ZCCM-IH would **not be** considered as a Government Agency but given its material interest to the Zambian extractive industry, they should be captured as an Extractive Company.

The change in the treatment of ZCCM-IH resulted in a number of discrepancies as the Extractive Companies reported ZMK88bn (approximately US\$23m) with regards to *Price Participation Fees* and *Dividends from Government Shares* and ZCCM-IH did not report any amounts as the corresponding Government Agency. As discussed above, these amounts were removed from the Independent Reconciliation.

For further details on ZCCM-IH refer to Section 4.

Challenges we Faced

There were a number of challenges that had a considerable impact on the reconciliation process which are discussed below:

- A significant number of completed Reporting Templates, being the source information for our reconciliation, were not provided to us by the set deadline of 15 December 2010. As the Reporting Templates were provided later than initially expected, we were unable to conclude on all discrepancies.
- A number of Mines and Agencies did not provide us with documentation to support the amounts reported on the completed Reporting Templates. In some cases, the supporting documentation provided did not correspond with the information on the completed Reporting Templates.
- A number of parties in the exercise misunderstood the payments/receipts requested for.
- Information relating to payments made through third parties (e.g. clearing agents) was not easily accessible by some of the parties.

Section 7 of our report highlights the further challenges we faced, their impact on the assignment and how we attempted to resolve them.

Executive Summary

Improvements for Future Independent Reconciliations

Section 8 has set out suggestions to the ZEC and the Zambia Extractive Industries Transparency Initiative (“ZEITI”) Secretariat for future reconciliation exercises based on our experience on the first Independent Reconciliation.

The most crucial improvements include:

- **ZEC to appoint an appropriate party to investigate unresolved discrepancies:** An appropriate, capable and also independent party should be engaged to continue investigating the unresolved discrepancies as the information captured will be vital for planning, performing and improving future Independent Reconciliations.
- **Workshops and information packs to orientate Extractive Companies and Government Agencies:** It was observed in a number of cases that the Extractive Companies and Government Agencies misunderstood their requirements regarding completing the Reporting Templates and the need to provide appropriate supporting documentation. Therefore, for the future and so that there is a better understanding, we have suggested greater detailed guidance through workshops and information packs.
- **Government to put in place compliance measures:** A significant challenge in the Independent Reconciliation was submission of Reporting Templates and supporting documentation within the agreed timeframe and in some cases access to information. To ensure all stakeholders make a conscious effort towards ZEITI objectives, we suggest that GRZ could use a Memorandum of Understanding which clearly sets out responsibilities of the various stakeholders and highlight any actions for non-compliant Extractive Companies and Agencies. It has also been suggested that GRZ could amend various existing legislation to allow for easier access to requested information. ***It should be noted that we have not performed a detailed review of current legislation.***



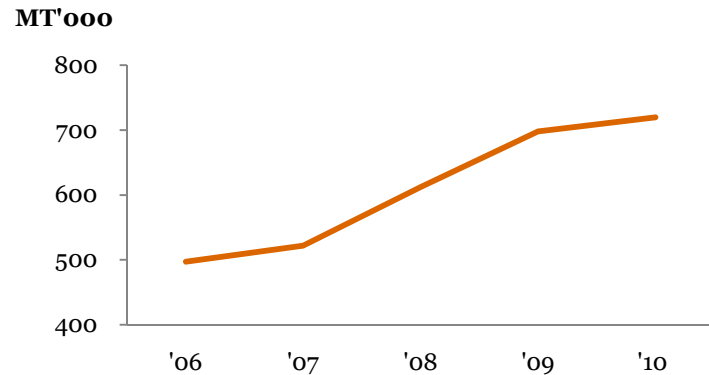
Section 2 – Overview of the EITI and the Extractive Industry in Zambia



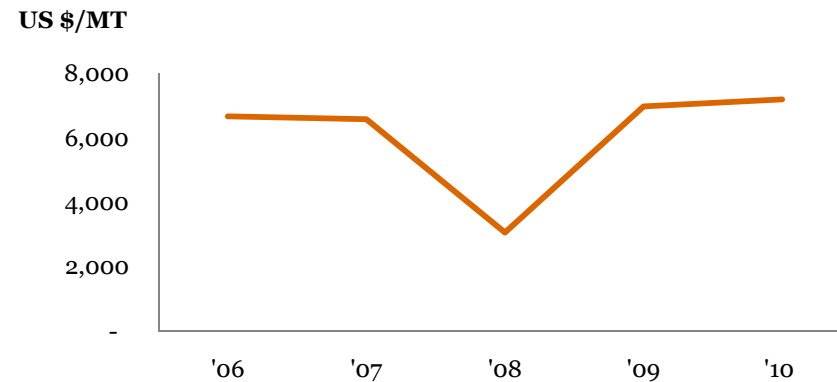
Overview of Extractive Industry in Zambia

Overview of the Zambian Mining Industry

The Zambian mining industry is the largest contributor to the development and growth of the economy, with the main mineral resource extracted by mining companies being copper. The mining sector in Zambia suffered a setback in 2008/09 with a decline in production due to the global economic downturn and the corresponding reduction in copper prices. However the mining industry, spurred by growth in China, India, and other emerging markets, has since recovered and it is estimated that Zambia's copper production in 2010 closed at approximately 720,000Mt,* a level last achieved in the 1970's.



Source: Central Statistics Office and the Ministry of Finance and National Planning



Source: London Metal Exchange (year end figures)

The steady increase in copper prices on the London Metal Exchange (“LME”) has fuelled further foreign direct investments in the mining sector. This is expected to continue in the medium term given the optimistic copper prices and the discovery of other new mineral deposits.

Apart from copper, other known mineral reserves in Zambia include cobalt, zinc, lead, uranium, coal, limestone, gold, emeralds and diamonds. Mining activity is concentrated in the northern half of the country particularly in the Copperbelt and North-Western Provinces, but recent discoveries of extractive minerals have been made in Northern, Central and Eastern Provinces.

*Source: Ministry of Finance and National Planning.

Overview of Extractive Industry in Zambia

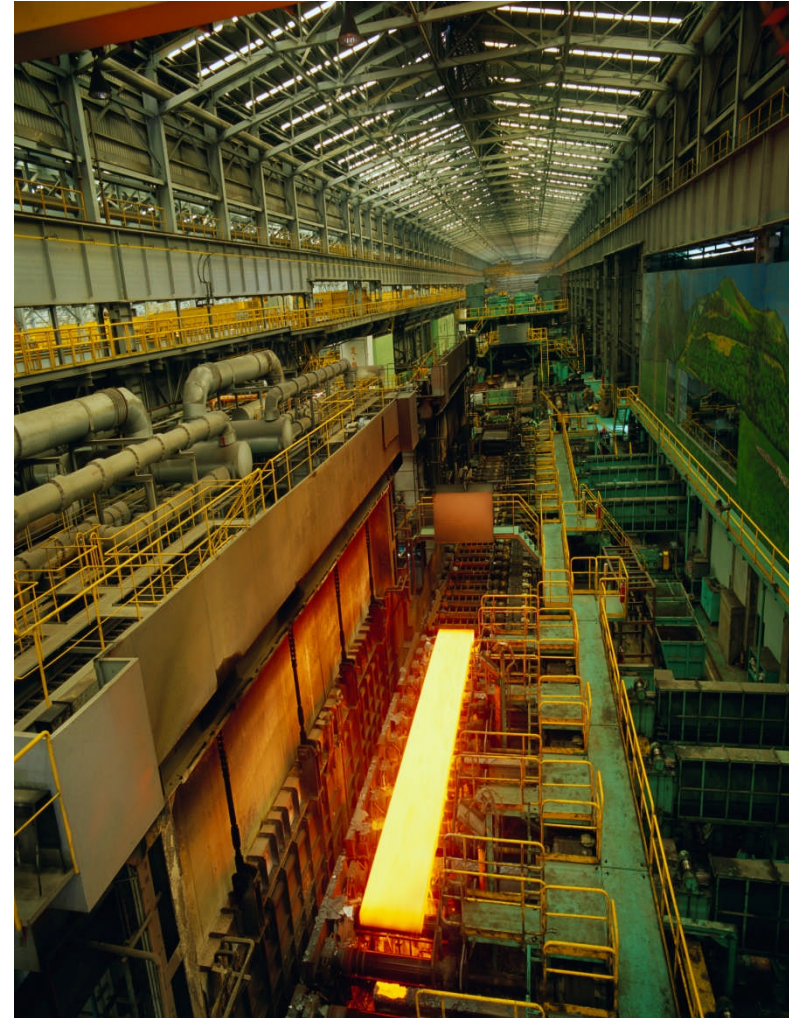
Overview of the Zambian Mining Industry (cont.)

The main objective of GRZ, through the Ministry of Mines and Minerals Development (“MMMD”), is to promote the exploration and extraction of mineral resources by the private sector. Amongst the institutions set up to support these objectives are:

Mines Development Department: Responsible for the issuance of all prospecting, retention and mining licences and monitoring of mining operations to ensure that development is in line with approved programmes of operations and in accordance with the Mines and Minerals Act.

Mines Safety Department: Main objective is to formulate, monitor and maintain legislation regarding the safe and sustainable exploration and exploitation of mineral resources.

Geological Survey Department: Its main role is to provide geological and geochemical data and act as a national repository for all information relating to the geology of Zambia.



Overview of the EITI

Background of the Extractive Industries Transparency Initiative

The global EITI was established in 2002 and constitutes a coalition of governments, companies, civil society groups, investors and international organisations. The EITI aims to strengthen governance by improving transparency and accountability in the extractive industry sector.

The EITI is based on the premise that with good governance the exploitation of oil, gas and mineral resources can generate large revenues to foster growth and reduce poverty in the relevant countries. In summary, the EITI is a globally developed standard that promotes revenue transparency at the local level.

In order to achieve its objective, the EITI has a robust yet flexible methodology that ensures a global standard is maintained throughout the different implementing countries. Although the EITI Board and the International Secretariat are the guardians of that methodology, implementation itself, is however the responsibility of individual countries.

Background of the Zambia Extractive Industries Transparency Initiative

In this vein, the GRZ established the Zambia EITI Council (“ZEC”) to spearhead the implementation of the EITI. ZEC constitutes a multi-stakeholder group from the civil society, extractive companies and GRZ. In addition, ZEC has established the ZEITI Secretariat to support the operations of the multi-stakeholder group.

Zambia became an EITI “Candidate” country in May 2009 and has until 14 May 2011 to complete the validation process. The validation is a necessary process to a country achieving EITI “Compliant” status. Central to the validation process is the requirement to produce a report reconciling payments made by the Extractive Companies with receipts received by the Government Agencies.

As set out above, the ZEC, who is responsible for the implementation of the EITI in Zambia is made up of a multi-stakeholder group. We set in **Appendix 2** fifteen current ZEC members; from GRZ, the civil society and extractive companies.

The ZEITI Secretariat has also been established to support the activities and operations of the multi-stakeholder group. Currently, the Head of the ZEITI Secretariat is Mr Siforiano S Banda. Further information about ZEC and ZEITI Secretariat can be obtained from their website www.zambiaeiti.org.zm

Overview of the EITI

General Benefits of the EITI

Governments benefit from implementing a standardized and internationally recognized procedure for transparency in natural resource management. In many countries, revenues from oil, gas and mining create political and economic distortions and high expectations. The commitment to reconcile company payments and government revenues via a multi-stakeholder process signals a commitment to good governance and improves international credibility.

Companies benefit from the improved investment climate, engaging in a constructive way with citizens and civil society, and a level playing field as all companies are required to disclose the same information.

Citizens and civil society benefit from the increased transparency by being able to hold their government and companies to account when the tax payments are disclosed.

Energy security is enhanced by a more transparent and level playing field. Energy net importing countries gain from increased stability in supplier countries. This increased stability encourages long-term investment in production.

Independent Reconciler's Role

One of the core criteria in the validation process is a reconciliation between selected payments declared by the Extractive Companies with receipts declared by the relevant Government Agencies and that the reconciliation is executed by an independent party.

In this regards, *PricewaterhouseCoopers Limited* were appointed by ZEC on 22 November 2010 as the Independent Reconcilers to undertake the first Independent Reconciliation for ZEC covering the period 1 January 2008 to 31 December 2008.

Our role as the Independent Reconciler included:

- Conducting analysis and reconciling all material payments by the Extractive Companies to Government Agencies for the fiscal year 2008;
- Produce a report to show the payments made by the Extractive Companies to Government Agencies and highlight discrepancies that have arisen from the Independent Reconciliation. The report should also include improvements for the Independent Reconciliation going forward;
- Documentation of procedures for future Independent Reconciliations.

We advise that the role of the Independent Reconciler **does not** constitute an audit in anyway and in addition, the Independent Reconciler is **not responsible** for confirming the accuracy of the amounts reported and the legal obligations of the Extractive Companies and Government Agencies.

Section 3 – Payments and Participants



Summary Description of Payments

Payments Included on the Final Reporting Template

The ZEITI Secretariat, together with ZEC, initially produced a list of twelve payments which the Extractive Companies and Government Agencies would be required to report on. However after a workshop held on 27 November 2010, the ZEC agreed to review this initial list and agreed to incorporate a number of additional payments. The list of payments that were included in the final Reporting Template, a copy of which is attached at **Appendix 1**, are summarised below:

Table 3.1: Details of payments

	Payment types on the final Reporting Template	Receiving Government Agency	Description
1.	Corporate Tax	ZRA	All Extractive Companies are taxed on their taxable income which is determined in line with the Zambian Income Tax Act. Income in this case relates to revenue less all tax allowable expenditure.
2.	Windfall Tax	ZRA	A tax levied against extractive industries triggered by favourable global economic conditions which allows these industries to experience above average commodity prices.
3.	Customs/Import Duty	ZRA	Customs/Import duty is a tax levied on ZRA specified goods imported into Zambia.
4.	Excise Duty	ZRA	Excise duty is a tax levied on ZRA specified goods imported into Zambia.
5.	Export Duty	ZRA	Export duty is a tax levied usually on unprocessed commodities/raw materials exported out of Zambia.
6.	Asycuda Processing Fee	ZRA	ASYCUDA is a computerized customs management system which covers most foreign trade procedures. Asycuda processing fees are paid to ZRA for registering goods imported into Zambia, regardless of whether duty is applicable/payable.
7.	Mineral Royalty	ZRA	Mineral royalties are a form of consideration, usually based on the volume or price of base metals and is levied by reference to LME prices or for the right to exploit specified base metals.
8.	Annual Operating Permit	MMMD	Annual fee payable by all Extractive Companies to the MMMD in order to procure the appropriate permits from the director of Mines Safety to undertake mining operations.

Summary Description of Payments

Table 3.1: Details of payments (cont.)

	Payment types on the final Reporting Template	Receiving Government Agency	Description
9.	Mining Licence Fee	MMMD	Fee payable by an applicant of mining right to be granted a mining licence or permit.
10.	Area Charges	MMMD	Fee payable by all Extractive Companies to the MMMD in order to procure the appropriate permit to undertake the mining operations.
11.	Environmental Protection Fund	MMMD	Fee charged to the Extractive Companies for environmental rehabilitation purposes.
12.	Annual Business Fee	Local Councils	Operating fees paid to the local councils in which the Extractive Companies operate.
13.	Property Rates	Local Councils	Property taxes payable to the local authority by all Extractive Companies who own properties.
14.	Ground Rent	Ministry of Lands	Annual lease payments made to the Ministry of Lands in respect of leasehold property owned by the Extractive Companies.
15.	Dividends from Government Shares	Ministry of Finance and National Planning	This is the distribution of profits in proportion to the shares directly held in the Extractive Company by GRZ. However as GRZ only has a direct investment in ZCCM-IH, payments made by the Extractive Companies to ZCCM-IH will be excluded in our reconciliation.
16.	Price Participation Fees	N/A	These payments are ordinarily only made to ZCCM-IH (as the former owners of some mines) by Extractive Companies, usually when commodity prices go above an agreed price. These are based on agreements made between Extractive Companies and ZCCM-IH when the Extractive Companies were sold. However as ZCCM-IH is classified as a Extractive Company and not a Government Agency, for the purpose of our reconciliation this payment will be excluded. Refer to section 4 for further details.
17.	Import VAT	ZRA	Value Added Tax paid by the Extractive Companies on the import of goods into Zambia.
18.	Non-refundable VAT	ZRA	This payment type refers to the net Output VAT payable by the Extractive Companies, after taking into account Input VAT incurred on business purchases and/or business expenditure.

Participants

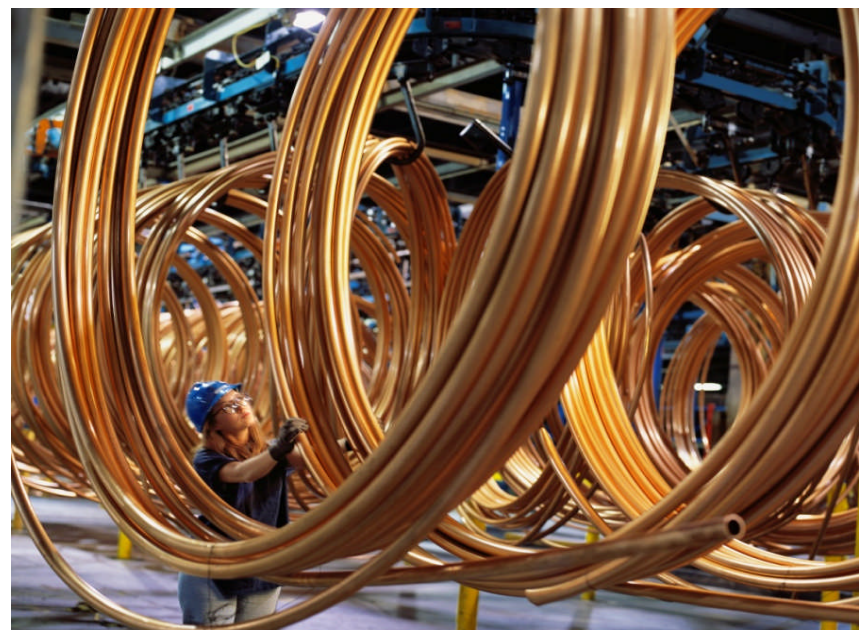
Participating Extractive Companies

For the 2008 reconciliation, a total of sixteen companies were required to participate. In establishing which companies were to be considered, ZEC took into consideration the type of mining licence issued to a company (i.e. only large scale mining licences operational in 2008) and the quantum of mineral royalties paid to ZRA including all gemstone companies that paid over K200 million in 2008. Although ZCCM-IH does not pay any *Mineral Royalties* and does not have any large scale mining licences, ZEC agreed to include them as a Extractive Company. This is discussed in more detail in Section 4.

We set out below the list of Extractive Companies that ZEC decided were to participate in the 2008 Independent Reconciliation and the respective minerals extracted.

Table 3.2: Details of participants

	Extractive Companies	Minerals extracted
1.	Albidon Zambia Limited	Nickel
2.	Chambeshi Metals Plc	Copper and Cobalt
3.	Chibuluma Mines Plc	Copper
4.	CNMC - Luanshya Copper Mines	Copper
5.	Kagem Mining Limited	Gemstones
6.	Kansanshi Mining Plc	Copper and Gold
7.	Konkola Copper Mines Plc	Copper
8.	Lafarge Cement Zambia Plc	Limestone
9.	Lumwana Mining Limited	Copper
10.	Maamba Collieries Limited	Coal
11.	Mopani Copper Mines Plc	Copper and Cobalt
12.	Ndola Lime Limited	Limestone
13.	NFC Africa Mining Plc	Copper
14.	Sino Leach Metals Limited	Copper
15.	Grizzly Mining Limited	Gemstones
16.	ZCCM – IH	n/a



Source: Letters from the MMMD enclosing the Reporting Templates and discussions with the ZEITI

Section 4 – ZCCM-IH



Overview of ZCCM-IH

*Brief history of ZCCM-IH**

In 1996, GRZ committed to the privatisation of the mining sector in Zambia. The main objectives for this process was to attract new investments into the sector and to diversify the ownership of Zambian mining assets.

Part of this process was to split and sell off the mining assets as separate new entities (as business packages) to the private sector. At the time, Zambia Consolidated Copper Mines Limited held Zambia's mining assets and to facilitate this part of the privatisation process, ZCCM-IH became its successor in 2000.

ZCCM-IH is public investment company with the majority of the shareholding (87.6%) being with GRZ and the remaining (12.4%) with private investors in Lusaka, Paris and London.

The investment portfolio for ZCCM-IH primarily comprises investments in Zambian mining companies. These include Chambishi Metals Plc, Ndola Lime Limited, Equinox Minerals, Chibuluma Mines Plc, Kansanshi Mining Plc, Konkola Copper Mines Plc, Luanshya Copper Mines Plc, Mopani Copper Mines Plc and NFC Africa Mining Plc.

ZCCM-IH and the Independent Reconciliation

Initially ZEC had considered ZCCM-IH as a Government Agency. This was a result of public perception that GRZ holds all shares in the company and that it was parastatal.

However following discussion with ZCCM-IH, concerns were raised with their treatment as a Government Agency as we were advised that they were legally registered as a public company and have other private investors.

The following section of this report sets out more detail of ZCCM-IH's concerns, the possible solutions suggested during the Independent Reconciliation to address their concerns and ZEC's conclusion of the matter.



* Information obtained from ZCCM-IH website "http://www.zccm-ih.com.zm/index.php?option=com_content&task=view&id=1&Itemid=22"

ZCCM-IH

We had numerous discussions with ZCCM-IH who raised a number of concerns with the Reporting Template. Their main concerns are summarised below:

Table 4.1: Concerns ZCCM-IH raised

The risk that ZCCM-IH will be perceived as being a Government Agency	Reconciling dividends declared by mining companies with that received by GRZ	Price Participation Fee
<p>ZCCM-IH, which is 87% owned by GRZ, were concerned that the format of the Reporting Template may lead users of the report to assume that ZCCM-IH is a Government Agency rather than an investment company.</p> <p>Specifically ZCCM-IH were concerned with Template B which titles “..._Reporting Template for Government agencies” and that the revenue being asked to be disclosed was under the category “Revenue paid to GRZ agencies...”</p> <p>Both these disclosures give the perception that ZCCM-IH is an agency of the Government and that this would be detrimental to their private investors who expect ZCCM-IH to operate as distinct and independent company, despite GRZ holding majority of the shares.</p>	<p>ZCCM-IH indicated that although they do receive dividends from the Extractive Companies, not all of these are distributed to GRZ. In addition, ZCCM-IH advised that they can invest in a diversified portfolio and not just in mining related entities.</p> <p>ZCCM-IH has a number of private investors and therefore as a company, it has a legal obligation to ensure that any remittance of profit is equitable to all shareholders.</p> <p>Based on this, it was considered misleading to disclose the dividends it receives from the Extractive Companies on the template as users of the report may assume that all dividends paid by the Extractive Companies to ZCCM-IH are remitted to GRZ.</p> <p>It was also brought to our attention that in some cases, ZCCM-IH may not hold an interest in the Zambian mining company however they may hold interests in the mining company’s parent company based abroad. In these situations, dividends from the parent company would not be captured in the Reporting Templates.</p>	<p>A similar concern on the dividends was raised with the <i>Price Participation Fee</i> in that not all the revenues received from the Extractive Companies under this form of payment would be remitted to GRZ.</p> <p>In addition, ZCCM-IH clarified that the Extractive Companies do not have <i>Price Participation Fee</i> agreements with GRZ and do not pay a <i>Price Participation Fee</i> to GRZ in any way.</p> <p>Only ZCCM-IH has <i>Price Participation Fee</i> agreements with the Extractive Companies and these are only distributed to GRZ in the form of dividends as and when these are declared by the board of ZCCM-IH.</p> <p>As such, ZCCM-IH were of the view that the readers of the report may be misled and assume that the <i>Price Participation Fees</i> are all directly paid to GRZ.</p>

ZCCM-IH

At a ZEC meeting held on 17 December 2010, the concerns raised by ZCCM-IH were presented to the ZEC for their consideration and the following were their observations/options:

Alter wording of the Reporting Template

- Change the wording on the Reporting Template so that it does not suggest that the dividends declared by the Extractive Companies to ZCCM-IH is what is paid to GRZ.
- However this change may not reflect the core aim of the Independent Reconciliation to disclose payments made to GRZ rather than generic payments the Extractive Companies are required to pay.

Treat ZCCM-IH as a Extractive Company to establish what it has paid to GRZ in the form of taxes and dividends

- ZCCM-IH would complete Reporting Template A which has been tailored for the Extractive Companies. This would require disclosure of all payments to GRZ such as *Corporation Tax*, *Property Rates* and *Dividends from Government Shares*.
- However the criteria set by the ZEC would be breached as ZCCM-IH is not a large scale mining company and does not pay any mineral royalties.

Disclose payments and receipts

- Disclosure could be made for both the receipts and the payments (after the wording is altered as above). We would effectively be treating ZCCM-IH as both a Government Agency and a Extractive Company.
- However both the above concerns would remain.

Remove ZCCM-IH from Report

- This option would entail removing ZCCM-IH from the exercise as they are neither a Extractive Company nor a Government Agency but rather, an investment company in which GRZ holds an interest as a shareholder.
- However this could have a material impact on the total amounts being received by GRZ.

After much deliberation by the ZEC, it was resolved that the Independent Reconciler treat ZCCM-IH as a Extractive Company. Although ZCCM-IH is not a large scale mining company and does not pay any mineral royalties, for the purposes of the Independent Reconciliation, it was felt that payments made to GRZ in the form of dividends and taxes by this independent investment company should be captured.

We advised ZCCM-IH of the ZEC's decision and requested them to complete the Reporting Template for Extractive Companies in the reconciliation process. As ZCCM-IH will be treated as a Extractive Company, we shall ignore the *Dividends from Government Shares* and *Price Participation Fees* paid to ZCCM-IH by other Extractive Companies in our reconciliation.

Section 5 – Our Approach to the Independent Reconciliation



Our Approach to the Independent Reconciliation

Overview of Our Approach

Our approach ensured that there was continuous communication and interaction with the Extractive Companies and Government Agencies involved and all other stakeholders through regular consultations. This process ensured all concerns and queries were addressed at the earliest possible time and that the objectives of the Independent Reconciliation took centre stage. We made a conscious effort to keep ZEC informed of our progress and challenges, and worked together to try and ensure their objectives are met.

We advise that our approach to the reconciliation process **did not** constitute an audit or an assurance assignment. Our report only includes commentary on the factual information received from the Extractive Companies and Government Agencies and we do not provide any opinions regarding the information received from the Extractive Companies and Government Agencies.

In summary, our approach to the reconciliation entailed the following key tasks:

- *Distribution of Reporting Templates:* This task entailed ensuring all Extractive Companies and Agencies who were required to complete the Reporting Templates were aware of their requirements and had the final Reporting Template on hand.
- *Follow up exercise with Extractive Companies and Agencies involved:* This task entailed communicating with the Extractive Companies and Agencies involved to ensure any queries were clarified and the deadlines were adhered to.
- *Collection of data:* The task involved collecting the completed Reporting Templates, supporting documentation and audited financial statements.
- *Identification of discrepancies:* This task entailed compiling all the information provided by the Extractive Companies and Agencies involved and identifying areas that did not reconcile.
- *Reconciling discrepancies:* After the discrepancies were identified above, we would contact the Extractive Companies and Agencies involved for additional information/clarification to enable us reconcile these discrepancies.

We set out over the next two pages an overview of the detailed tasks that were undertaken.

Our Approach to the Independent Reconciliation

Distribution

- It was agreed that a letter from the Permanent Secretary of the MMMD accompany the distribution of the Reporting Templates. We reviewed the letters to ensure that key information was requested for i.e. supporting evidence for declared payments/receipts, copies of signed audited accounts, etc. The letter also set out the deadline for submission, 15 December 2010, and clarified that the Reporting Templates were required to be submitted directly to Independent Reconciler. A copy of the final letter is attached in **Appendix 3**.
- Both the Reporting Templates and the letters were distributed by the MMMD to all Extractive Companies and Government Agencies involved in the EITI process.
- We were advised that the MMMD had dispatched these letters as ZEC believed this would increase the response rate for the Reporting Template.

Follow up

- Once we received confirmation from ZEITI Secretariat that the Reporting Templates and the letter had been distributed to all the Extractive Companies and Government Agencies, we requested a list of key contact details to commence our follow up exercise the next working day.
- Our initial follow up exercise was to ensure that the Reporting Templates had been received. If not, we highlighted this to ZEITI Secretariat and distributed the letter and the Reporting Template to the Extractive Companies and Government Agencies who had not received it.
- Subsequent follow up exercises occurred to identify any concerns and to assess if the Extractive Companies and Government Agencies would be able to adhere to the deadline. Where Extractive Companies and Government Agencies had raised any issues, we highlighted these to ZEITI Secretariat and discussed a strategy to address them.

Collection

- Prior to the set deadline, we contacted the Extractive Companies and Government Agencies to request for the Reporting Template and supporting documentation to be submitted by 15 December 2010. As the number of responses at the set deadline was extremely low, we highlighted our concerns to ZEC at their meeting of 17 December 2010 and subsequently wrote to all Extractive Companies and Agencies that had not submitted the Reporting Templates. In addition, we also wrote to ZEITI Secretariat to update them of the status and requested the MMMD to assist us remind the Extractive Companies and Government Agencies of the importance of providing us with the Reporting Templates and supporting documentation.
- In order not to delay the validation process and to ensure our Final Report was published within the required timeline, we commenced the reconciliation process with the limited information in our possession whilst together with ZEITI Secretariat, we continued to follow up the non-respondents.

Our Approach to the Independent Reconciliation

Identification of discrepancies

- In order to facilitate our analysis of the completed Reporting Templates, we developed a database for each of the Extractive Companies that set out all payment streams on the Reporting Template and the expected Government Agency recipient of the revenue.
- Once we received the information from the Extractive Companies and Government Agencies, the payments and receipts were populated into the database for our further analysis.
- From the populated database we were able to effectively compare the payments and receipts from the Extractive Companies and Government Agencies to identify any discrepancies on relevant payment/revenue streams.

Information to reconcile discrepancies

- Using the database above, we were able to highlight what additional information we would require in order to reconcile any identified discrepancies.
- We engaged all Extractive Companies and Government Agencies that had not provided us with the necessary supporting documentation and requested them on a number of occasions to submit this information to us so that the discrepancies identified could be reconciled.
- In addition, a reminder letter from the Permanent Secretary of the MMMD was also sent to all the Extractive Companies and Government Agencies that had not submit the Reporting Templates and supporting documentation by the set deadline of 15 December 2010.
- Where the documentation was insufficient to allow us to reconcile the discrepancies, we requested for further evidence specifically targeted to the payment stream being investigated and provided these Extractive Companies and Agencies a deadline of 19 January 2011.
- Using the submitted information, we reviewed the identified discrepancies and undertook to reconcile these.
- However where additional supporting documents were not adequate or no initial/further supporting documentation was provided, we concluded on the reconciliation and the discrepancies have been highlighted as “unresolved discrepancies”.

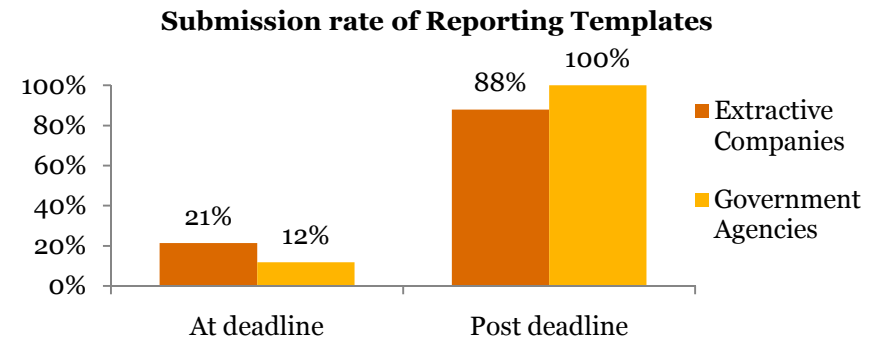
Section 6 – Results and Discrepancies



Results and Discrepancies

Respondents

- A request was sent out to the Extractive Companies and Government Agencies by the MMMD on the 3 December 2010 advising that the deadline for *both* the submission of Reporting Template and supporting documentation was 15 December 2010.
- The response rate for the submissions of the Reporting Templates from both the Extractive Companies and Government Agencies by the deadline was low at 21% and 12% respectively. However at the end of the reconciliation process, 88% of the Extractive Companies and all Government Agencies had responded.
- Only one Extractive Company submitted all required supporting documentation by the deadline. Post deadline ,this had increased for both the Extractive Companies and Government Agencies, however the majority of supporting documents submitted was limited and ad hoc.



Source: PricewaterhouseCoopers Limited

Evidence and Reconciliation

- The quality of the supporting documentation provided varied with only a few Extractive Companies and Government Agencies being able to provide full schedules with copies of receipts/returns to support the Reporting Templates. In a number of cases, the supporting documentation provided to us did not agree with amounts reported on the Reporting Templates and we needed further clarity on this from the Extractive Companies and Government Agencies.
- In a number of cases, we did not have the all necessary supporting documentation from either the Extractive Companies or Government Agencies, consequently we were unable to resolve a significant amount of discrepancies.
- We were however able to identify possible causes for a number of the discrepancies, but due to delays in receiving supporting documentation and the tight deadlines within which we were required to report, we were unable to conclude and resolve the identified discrepancies.

Results and Discrepancies

The table below summarizes the amounts reported by Extractive Companies and Government Agencies, discrepancies that have arisen as either over or under reported and what has been adjusted and reconciled to leave the unresolved discrepancies. Further details on these categories are discussed on pg 32.

It should be noted that a focus on **net discrepancies is misleading** as it suggests fewer discrepancies to investigate as positive amounts net off against negative amounts. To address this we have **focused on the absolute discrepancies** which are more meaningful. This has been discussed in further detail on page 32 and 33.

Details of amounts reported by Extractive Companies and Government Agencies are set out at **Appendix 4** and **Appendix 5** for each Extractive Company and for each payment stream respectively.

Table 6.1: Summary of findings

	Reported by Extractive Company ZMK'Bn (A)	Reported by Government Agencies ZMK'Bn (B)	Over Reported ZMK'Bn (C)	Under Reported ZMK'Bn (D)	Net Discrepancies ZMK'Bn E= (A-B) or (C-D)	Absolute Discrepancies ZMK'Bn F=(C+D)	Adjusted ZMK'Bn G	Reconciled ZMK'Bn H	Unresolved Discrepancies ZMK I=(F-G-H)
Albidon	48.45	18.92	29.57	0.04	29.53	29.61	-	-	29.61
Chambishi	66.00	37.33	31.09	2.42	28.67	33.51	16.32	14.14	3.05
Chibuluma	50.50	77.51	13.16	40.17	-27.01	53.33	9.61	-	43.72
CNMC Luanshya	-	37.69	-	37.69	-37.69	37.69	37.69	-	-
Grizzly	-	0.08	-	0.08	-0.08	0.08	0.08	-	-
Kagem	2.34	1.54	1.18	0.38	0.80	1.56	-	-	1.56
Kansanshi	810.19	777.63	44.81	12.26	32.55	57.07	-	15.49	41.58
Konkola	315.82	295.87	67.12	47.17	19.95	114.28	56.28	0.64	57.36
Lafarge	53.42	74.70	1.17	22.45	-21.28	23.62	-	-	23.62
Lumwana	103.67	110.56	0.08	6.97	-6.89	7.06	-	2.96	4.09
Maamba	0.20	3.11	0.18	3.10	-2.91	3.28	-	-	3.28
Mopani	184.99	191.27	6.85	13.13	-6.28	19.98	-	12.63	7.36
Ndola lime	6.11	13.78	2.36	10.02	-7.67	12.38	-	-	12.38
NFC Africa	75.52	68.46	11.27	4.22	7.06	15.49	5.63	2.36	7.50
Sino Leach	19.92	16.37	7.61	4.06	3.54	11.67	-	-	11.67
ZCCM - IH	0.03	0.03	-	-	-	-	-	-	-
Total	1,737.15	1,724.85	216.46	204.15	12.31	420.61	125.60	48.22	246.79

Results and Discrepancies

Based on table 6.1 on page 31 we set out further details on the each column below in table 6.2.

Table 6.2: Details of summary table 6.1

Details	ZMK'Bn	Comments
Reported by Extractive Companies (A)	1,737.15	<p>This figure represents the total amounts that have been reported by Extractive Companies who have submitted completed Reporting Templates to the Independent Reconciler.</p> <p>It should be noted that it does not include Extractive Companies who have submitted Reporting Templates which have not adhered to certain compliance measures for the Reporting Template, i.e. signing off of the Reporting Template by appropriate authorized personal of the organization.</p>
Reported by Government Agencies (B)	1,724.85	<p>This figure represents the total amounts that have been reported by Government Agencies who have submitted completed Reporting Templates to the Independent Reconciler.</p>
Over Reported (C)	216.46	<p>These are amounts where Extractive Companies have reported more than Government Agencies, e.g. with regards to <i>Custom/Import Duty</i>, Albidon Zambia Limited reported ZMK22bn whilst ZRA reported ZMK4bn, resulted in an over reported amount of ZMK18bn.</p>
Under Reported (D)	204.15	<p>These are amounts where Extractive Companies have reported less than Government Agencies, e.g. with regards to <i>Corporate Tax</i>, Chibuluma Mine Plc reported ZMK21bn whilst ZRA reported ZMK25bn, resulted in an under reported amount of ZMK4bn.</p>
Net Discrepancies (E)	12.31	<p>The net discrepancies represents the difference between amounts reported by Extractive Companies and Government Agencies in total e.g. Chambishi Metals Plc has reported ZMK66bn to various Government Agencies and the Government Agencies reported ZMK37bn as receipts from Chambish Metals Plc which gives a net discrepancy of ZMK29bn.</p> <p>This effectively takes the over reported amounts <i>less</i> under reported amounts, e.g. Chambishi Metals Plc over reported ZMK31bn and under reported ZMK2bn which gives a net discrepancy of ZMK29bn.</p> <p>The netting off of over reported and under reported discrepancies is considered to be misleading as it reduces the size of the discrepancy without any investigations or conclusion. An illustration to expand on this further has been set out in Appendix 6.</p>

Results and Discrepancies

Table 6.2: Details of summary table 6.1 (cont.)

Details	ZMK'Bn	Comments
Absolute Discrepancies (F)	420.61	<p>To address the misleading nature of net discrepancies, we have focused on absolute discrepancies which converts over and under reported amounts to a positive value and then <i>adds</i> the two discrepancies together. e.g. Chambishi Metals Plc over reported ZMK31bn and under reported ZMK2bn which gives an absolute discrepancy of ZMK33bn as opposed to a net discrepancy of ZMK29bn</p> <p>Converting the discrepancies from a net to an absolute basis is more meaningful as it allows to better understand the full quantum of the discrepancies. An illustration of this has been set out in Appendix 6.</p>
Adjusted (G)	125.60	<p>Adjustments have been applied to the discrepancies to ensure that they are meaningful to the reader. The most significant of these being the removal of reported payments to ZCCM-IH and the removal of amounts that have been reported by Government Agencies but where corresponding Extractive Companies have not submitted a Reporting Template. Further details of this have been discussed by on page 34.</p>
Reconciled (H)	48.22	<p>These are amounts that we have been able to reconcile through our investigation of the supporting documentation that has been provided by the Extractive Companies and Government Agencies.</p> <p>The major causes of discrepancies includes, payments that were reported in the wrong period, inclusion of non-cash payments, payments reported in the wrong payment category, inclusion of payments not relevant to the Independent Reconciliation and exchange rate differences. Further details of this have been discussed by on page 35.</p>
Unresolved discrepancies (I)	246.79	<p>These are discrepancies that we have not been able to investigate and conclude on due to limited supporting documentation and the limited time frame for the Independent Reconciliation. It should be emphasized that unresolved discrepancies are not necessarily missing payments to Government Agencies but only discrepancies that have not been concluded due to limited supporting documentation and time constraints. These require further investigation. Further details on this have been discussed on page 36.</p>



Unresolved discrepancies of ZMK247bn do not necessarily represent missing payments to Government Agencies

Results and Discrepancies

As highlighted above, the initial absolute discrepancies identified were ZMK421bn (approximately US\$112m). Through adjustments and resolutions, ZMK247bn (approximately US\$66m) remains as unresolved discrepancies.

We set out at **Appendix 4** and **Appendix 5** schedules detailing the disaggregated amounts per Extractive Company and per payment stream respectively.

Adjustments

We identified a number of entries in the Reporting Templates that needed to be adjusted in order to make the reconciliation more meaningful for the reader.

These adjustments included:

- **Non-respondent Extractive Companies and Agencies:** Although all Extractive Companies and Agencies involved in the reconciliation process confirmed receiving the Reporting Templates, two Extractive Companies did not submit a Reporting Template. For the purposes of reconciliation, including amounts from only the Government Agencies that reported for the two Extractive Companies would result in the total amounts being distorted. As such, we removed all amounts declared by the Government Agencies in respect of the two Extractive Companies so that the total disclosed discrepancies are realistic.
- **Payments to ZCCM-IH:** Both *Price Participation Fees* and *Dividends from Government Shares* are payments made by Extractive Companies directly to ZCCM-IH who were originally treated as an Agency by ZEC. However discussions with ZCCM-IH during the reconciliation process concluded that although GRZ is the majority shareholder in ZCCM-IH, there are also a number of other private investors. Therefore, ZCCM-IH were of the view that they are not a Government Agency as they were an independent investment company. ZEC agreed with this and subsequently decided that ZCCM-IH were not required to report on the payments they received, but rather, any payments they paid to GRZ. Accordingly, we have removed any amounts the Extractive Companies have reported relating to these two payment streams from the reconciliation as they were not payments to GRZ but rather payments to an independent investment company and consequently, outside of the ZEITI scope.

Table: 6.3 Summary of total amounts adjusted and resolved to remain with total unresolved discrepancies

Details	ZMK'Billion
Absolute discrepancies	420.61
Adjustments	-125.60
Reconciled	-48.22
Unresolved discrepancies	246.79

Source: PricewaterhouseCoopers Limited

Results and Discrepancies

Reconciled

There have been five significant areas where we managed to identify and reconcile some of the discrepancies identified:

- **Inclusion of payments which were not applicable:** In the detailed schedule provided by one Extractive Company, we identified a number of payments that had been erroneously included in the Reporting Template. Further analysis of the evidence provided confirmed that the payments related to taxes that were not part of the reconciliation and therefore were removed.
- **Timing of payments:** We identified through the detailed schedules provided, one Extractive Company had appeared to include payments that were made in January 2009. Again through further analysis, we confirmed the payments were made in 2009 and hence removed these amounts for the 2008 reconciliation.
- **Reporting of non-cash payments:** Through our review of the evidence and detailed schedules provided with regards to *Non-refundable VAT*, we identified that a number of Extractive Companies and Government Agencies had declared various non-cash payments. As the reconciliation is cash based, these amounts were removed. These included the following:
 - An analysis of the VAT returns provided by the respective Extractive Companies had revealed that the Extractive Companies had reported the total output VAT on the Reporting Template rather than the net position after accounting for input VAT. In most of the cases, the Extractive Companies were in a receivable position which meant that a “nil” response was required in the Reporting Template for *Non-refundable VAT*.
 - Through our discussions with ZRA, we were advised that a number of the receipts reported on the ZRA Reporting Template were not cash payments remitted over by the Extractive Companies but were VAT payable amounts from assessments that were off set against VAT receivable claims made by the Extractive Companies. We analysed the supporting documentation and reconciled the amounts to confirm that only cash based receipts were included.
- **Misinterpretation of payments:** With regards to *Non-refundable VAT*, we noted that one Extractive Company had reported VAT that was not claimable on supplies instead of reporting the net cash VAT payable amounts from their VAT returns. This was due to a misinterpretation of the payment and therefore the amount was removed from the reconciliation.
- **Exchange rate differences:** A number of payments were reported in United States Dollars while the corresponding receipts were reported in Zambian Kwacha by the Government Agencies. Discrepancies arose due to exchange differences on translation however these were reconciled on further investigation.

Results and Discrepancies

Unresolved discrepancies

Although ZMK247bn (approximately US\$66m) of discrepancies remained unresolved, we have identified some of the areas that may have caused these discrepancies. However as mentioned above, due to incomplete supporting documentation, delays in providing the documentation and a strict deadline, we have not been able to conclude on these discrepancies, which could be reduced upon further investigation.

The identified but unresolved discrepancies include the following:

- **Difference between detailed schedules of the Extractive Companies and Government Agencies:** Where the Extractive Companies and Government Agencies have provided us with detailed schedules of payments/receipts for a payment stream, we compared the schedules on an individual transaction level or where applicable on a period basis. The comparison identified a number of payments/receipts which appear on one of the Extractive Companies or Government Agencies schedules but are omitted from the counter schedule.
- **Difference between detailed schedules and Reporting Template:** We also noted from our review of the detailed schedules that a number of supporting schedules did not agree to the amounts that had been reported in the Reporting Templates.
- **Payments that had been excluded in the reporting:** For one of the Government Agencies, we identified that although the totals of the detailed schedule agreed to the Reported Templates, we noted from the supporting documentation that not all the payments were captured in the detailed schedule.

As noted above unresolved discrepancies of ZMK247bn (approximately US\$66m) are **not necessarily** missing payments from Extractive Companies but only relate to amounts which we have been unable to investigate further and conclude on due to the limited supporting documentation and the limited timeframe of the Independent Reconciliation.

Table 6.4: Breakdown by payment stream of unresolved discrepancies

Payments	ZMK'Bn	% of total unresolved discrepancies	Payment due to
Non-refundable VAT	85.45	34.62%	ZRA
Import VAT	64.58	26.17%	ZRA
Customs/Import Duty	40.5	16.41%	ZRA
Corporate Tax	21.64	8.77%	ZRA
Export Duty	13.73	5.56%	ZRA
Mineral Royalty	8.87	3.59%	ZRA
Environmental Protection Fund	5.12	2.08%	MMMD
Property Rates	4.79	1.94%	Local Councils
Asycuda Processing Fees	0.67	0.27%	ZRA
Ground Rent	0.59	0.24%	Ministry of Lands
Annual Business Fees	0.37	0.15%	Local Councils
Excise Duty	0.29	0.12%	ZRA
Mining Licence Fee	0.11	0.05%	MMMD
Annual Operating Permit	0.09	0.04%	MMMD
Unresolved Discrepancies	246.79	100.00%	MMMD

86%

of unresolved discrepancies have arisen from *non-refundable VAT, Import VAT, Customs/Import Duty and Corporate Tax.*

Section 7 – Deadlines and Challenges



Deadlines

Table 7.1: Key deadlines on Independent Reconciliation

Details	Agreed Deadlines	Comments
Finalisation of Reporting Template	27 November 2010	ZEC held a workshop on the 27 November 2010 in Chingola for the Extractive Companies, Government Agencies and other key stakeholders such as the Permanent Secretary of the MMMD and the World Bank representative. Based on feedback from the workshop, ZEC had decided to revise the Reporting Template which was only agreed and finalised on the 29 November 2010.
Dispatch of Reporting Template	29 November 2010	The Reporting Templates were expected to be dispatched on the 29 November 2010. However due to their revision after the workshop and the need to include a covering letter from the Permanent Secretary of the MMMD, the Reporting Template was only dispatched to all Extractive Companies and Agencies on 3 December 2010.
Submission of Reporting Template together with supporting documentation	15 December 2010	Despite clearly indicating the deadline in the covering letter and in our discussions during our follow up calls and emails, we only received five completed Reporting Templates and limited supporting documentation from the thirty-two Extractive Companies and Government Agencies as at 15 December 2010.
Inception Report	28 December 2010	The Inception Report was submitted before the deadline on 23 December 2010 to highlight the major challenges that we faced. As at this date, we only received a total of five completed Reporting Templates and limited supporting documentation.
Final Report	18 February 2011	The draft Final Report was submitted to the ZEC on 4 February 2011 for their comments which were updated for the Final Report which was submitted to ZEC on 18 February 2011.

Challenges

Table 7.2: Details of challenges faced on Independent Reconciliation

Challenges	Details	Impact	Resolution
Deadline for submission of Reporting Template not adhered to.	<p>A deadline of 15 December 2010 was set by ZEITI and communicated to the Extractive Companies and Government Agencies through the MMMD.</p> <p>Despite a number of follow up calls and emails before the deadline, we only received five completed Reporting Templates out of the thirty-two Extractive Companies and Agencies at the deadline.</p>	<p>The low response rate led to significant delays in the reconciliation as we only had a limited amount of data in which to identify discrepancies for investigation.</p> <p>This also meant that the time we had allocated for undertaking the actual reconciliation, had to be reallocated to following up the Extractive Companies and Government Agencies to obtain the Reporting Templates.</p>	<p>Soon after the deadline we dispatched a letter to the non-respondents highlighting the breach in the deadline and requesting the Reporting Templates be submitted immediately.</p> <p>We continued to communicate with the non-respondents and regularly updated ZEITI Secretariat who collaborated with us to obtain the completed Reporting Templates.</p>
Deadline for submission of supporting documentation not adhered to.	<p>The deadline for the supporting documentation was also set for the 15 December 2010.</p> <p>However at this date limited supporting documentation was provided.</p>	<p>We requested for the supporting documentation to be provided even before discrepancies were identified so that the reconciliation could be commenced immediately.</p> <p>However as there was limited supporting documentation provided, we were unable to reconcile the initial discrepancies and we thus had to focus our efforts on obtaining this information, instead of the reconciliation.</p> <p>Majority of supporting documentation was only received towards the end of our reconciliation. We were therefore not provided adequate time to request for any additional information where queries had arisen.</p>	<p>The letter dispatched soon after the deadline for the Reporting Template also stressed the breach in the deadline for the supporting documentation.</p> <p>In addition to this a number of calls and emails including, where possible, site visits took place to obtain the information.</p> <p>ZEITI Secretariat were also regularly updated on the progress.</p>

Challenges

Table 7.2: Details of challenges faced on Independent Reconciliation (cont.)

Challenges	Details	Impact	Resolution
Contact details provided were ineffective and we were not able to follow up the designated contacts.	The contact numbers that we were provided with were not effective in contacting the key contacts in the Extractive Companies and Government Agencies. In addition, it was not made clear who at the respective Extractive Companies and Government Agencies were specifically responsible for the Reporting Templates.	<p>This led to increased time being spent on obtaining the correct contact details which delayed our ability to confirm which Extractive Companies and Government Agencies had received the Reporting Template.</p> <p>This also meant in some cases, the completion of the Reporting Template had not started as the key individuals responsible for this were not aware of their responsibilities. This subsequently placed significant pressure on them meeting the deadline.</p>	<p>We collaborated with ZEITI Secretariat to obtain contact information for the Extractive Companies and Government Agencies.</p> <p>We contacted the Heads of Finance at a number of these institutions and requested them to delegate this task to a specific person within their organisation.</p>
Key contact availability.	A few key contacts were not contactable for a number of consecutive days due to other work commitments.	<p>Not being able to communicate with key contacts made it challenging to resolve a number of vital requests for the Reporting Template and supporting documentation.</p> <p>This led to increased time pressure as requests were being responded to near the end of the reconciliation.</p>	Where possible we enquired with the Extractive Companies or Government Agencies for alternative contacts to aid us with our requests.
A number of Extractive Companies were engaged in their financial Audits.	There were a number of Extractive Companies that were undergoing their year end audit during January 2011.	<p>With some of the Extractive Companies being audited, it became difficult for them to allocate resources to address our requests.</p> <p>This led to information being provided late into the reconciliation or in a number of cases, not being provided at all.</p>	We continual kept contact with these Extractive Companies to understand when information could be provided and to remind of the deadline of the Independent Reconciliation.

Challenges

Table 7.2: Details of challenges faced on Independent Reconciliation (cont.)

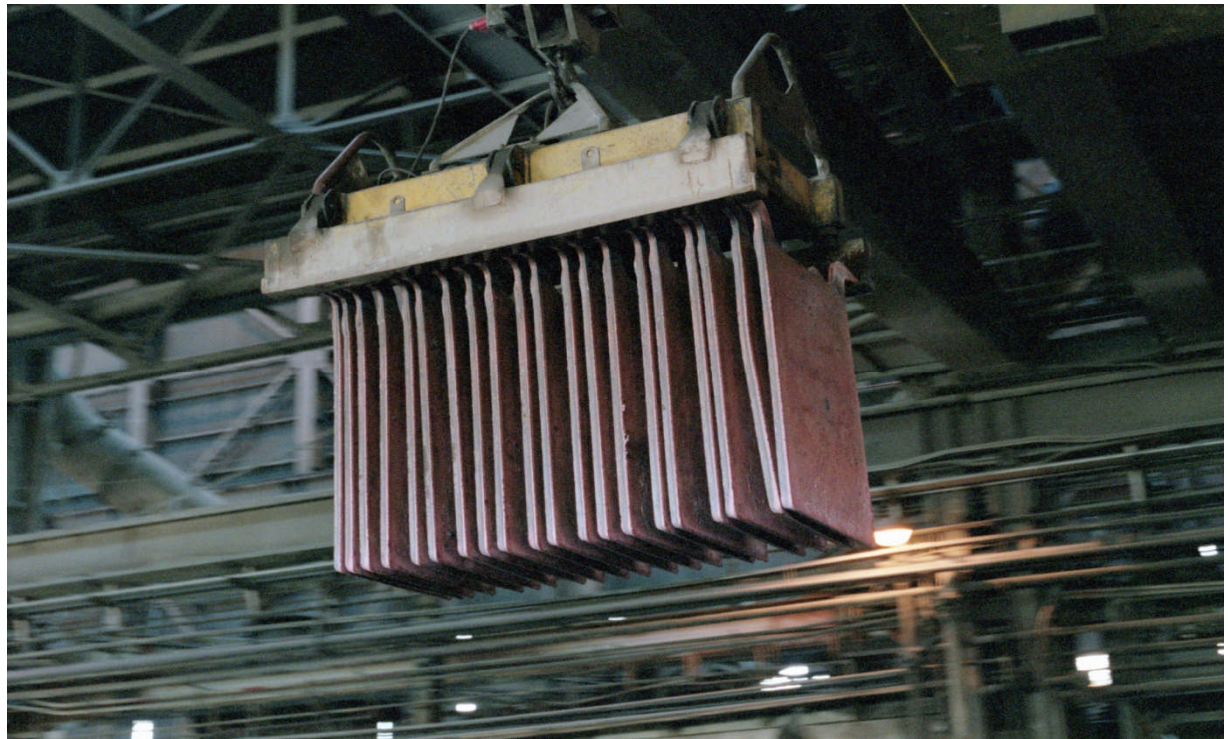
Challenges	Details	Impact	Resolution
Confusion with the previous Reporting Template that was sent by ZEITI Secretariat.	A previous Reporting Template had been sent out by ZEITI Secretariat. In addition, the Reporting Template distributed at the workshop in Chingola on the 27 November 2010 was subsequently revised by the ZEC.	<p>A number of Extractive Companies and Government Agencies had assumed the previous Reporting Templates were the final documents to be used.</p> <p>This led to confusion as they confirmed receipt of the revised Reporting Template, however what was submitted to us were the old Reporting Templates.</p> <p>In one case, an Extractive Company was reluctant to send the information to us and advised that they had already submitted it to the MMMD before and were unwilling to undertake the exercise again. This Extractive Company subsequently provided us with the revised Reporting Template.</p>	Where we established that Extractive Companies and Government Agencies were unsure of the Reporting Template, we provided them with clarity.
Confusion with the classification of payments.	Some of the Extractive Companies had submitted incorrect data with regard to certain payments as they were not clear what it related to or who it was being paid to.	This required us to communicate with the Extractive Companies to request that they resubmit the correct information	Contact with the Extractive Companies.
Evidence archived.	Some of the Extractive Companies and Government Agencies had archived their 2008 records and therefore did not have them readily available.	<p>The archived evidence meant the Extractive Companies and Government Agencies required additional time to locate supporting documentation.</p> <p>This led to breaches in the deadline and information being provided late into the reconciliation.</p>	We communicated with the Extractive Companies and Government Agencies regularly to assess the status of supporting documentation.

Challenges

Table 7.2: Details of challenges faced on Independent Reconciliation (cont.)

Challenges	Details	Impact	Resolution
Not all Government Agencies were captured when the Reporting Template was dispatched.	A number of Government Agencies had been omitted from the initial distribution by the MMMD. These included the Ministry of Lands, Sinazongwe District Council, Kafue City Council and the Department of Mine Safety.	These Extractive Companies and Agencies were not aware of their obligation to provide us with the completed Reporting Template. As such, this placed significant pressure on the Government Agencies to meet the deadline as they had less time to report the required information.	Copies of the Reporting Templates were dispatched to the Government Agencies that had been erroneously omitted and they were provided with a revised deadline.
Payments made via third parties.	A number of the Extractive Companies found it challenging to obtaining information in respects of <i>Customs/Import Duty</i> payments as these payments were made through their clearing agents. This resulted in the Extractive Companies not having the required documentation on site to support these payments.	The Extractive Companies required significant time to liaise with their numerous clearing agents to obtain this information. This led to us receiving the information late into the reconciliation period.	Communication with the Extractive Companies to understanding the complexity of the issue and to determine the best way going forward.
ZCCM-IH initially included as a Government Agency.	ZCCM-IH were initially considered a Government Agency. However they clarified that they are an independent investment company in which GRZ and other private investors held equity.	A number of meetings were convened between the ZCCM-IH, ZEITI Secretariat and ourselves to discuss this issue at length. This resulted in a delay in receiving their Reporting Template and supporting documentation as clarification from the ZEC was required.	ZEC discussed this issue on 17 December 2010 and agreed that ZCCM-IH would be treated as a Extractive Company rather than an Government Agency.

Section 8 – Improvements for Future Independent Reconciliations



Improvements for Future Independent Reconciliations

Orientation Workshops and Forums

To address

- Understanding of payments
- Understanding of types of evidence
- Adherence to deadlines
- Disclosures in Reporting Template
- Questions on the process

Details

- Workshops to be run by ZEITI Secretariat with all stakeholders involved in the next reconciliation to be in attendance.
- The workshop should run through all the expected payments that are being requested in the Reporting Template to ensure that the Extractive Companies and Government Agencies have a clear understanding of the information to be provided.
- It should also be discussed and agreed with the Extractive Companies and Government Agencies on the types of evidence that would be sufficient for each payment stream.
- The workshop should also go through an example of a comprehensively disclosed Reporting Template and supporting documentation to aid the Extractive Companies and Government Agencies in completing the Reporting Template and providing the Independent Reconciler with appropriate supporting documents.
- ZEC should agree the timing of the reconciliation and individual deadlines with all the Extractive Companies and Government Agencies in order for the reconciliation process to be undertaken at a convenient time for all.
- Questions and answers should be accommodated throughout the workshops to identify and address potential issues.

Improvements for Future Independent Reconciliations

Information Pack with Reporting Template

To address

- Understanding of payments
- Understanding of types of evidence
- Adherence to deadlines
- Disclosures in Reporting Template
- Establishing key contacts

Details

- The information pack should provide example Reporting Templates showing the correct required disclosure for both the Extractive Companies and the Government Agencies. It should also make available examples of expected evidence to be provided for each of the payment streams.
- Included in the information pack should be relevant details on each of the payments and who the Extractive Companies are expected to make the relevant payments to.
- For the Government Agencies, the information pack should contain details of which Extractive Companies and payments they are expected to disclose a Reporting Template for.
- Key deadlines should be highlighted along with key contact details of the Independent Reconciler and ZEITI Secretariat.
- The information packs should be physically delivered with the Reporting Template to Extractive Companies and Government Agencies and a form should be returned to the Independent Reconciler confirming receipt.
- The returned form should be signed and contain details of the person who received the documents, the date it had been received, details of the key contact in the Extractive Company or Government Agency and a schedule of the key contact availability.

Improvements for Future Independent Reconciliations

Physical visits to Extractive Companies and Government Agencies

To address

- Review of evidence
- Review of business process
- Adherence to deadlines

Details

- After submission of the Reporting Template and supporting documentation, the Independent Reconciler would analyse and review the data provided to identify unresolved discrepancies.
- Once this is performed a site visit would be organised with the Extractive Companies and/or Government Agencies. This would allow the Extractive Companies and Government Agencies to work with the Independent Reconciler to query documentation provided to ensure that the evidence is sufficient to address any discrepancies.
- Where the documentation is not completed or insufficient, the Independent Reconciler with the Extractive Company and/or Government Agencies can efficiently address concerns as the accounting system, records and key contact would be ready available for interrogation.
- Being on site would allow the Independent Reconciler to review the business process of the Extractive Companies and Government Agencies to report to ZEC on the best practice for the Extractive Companies and Agencies and to benchmark them against this.
- The benchmarking should be use to identify Extractive Companies and Government Agencies business processes that can be improved with regards to the reconciliation.

Improvements for Future Independent Reconciliations

Government to put in place Compliance Measures

To address

- Adherence to deadlines
- Access to information

Details

- In order to ensure all stakeholders make a conscious effort towards ZEITI objectives, Government could use the following to ensure compliance by all Extractive Companies and Agencies involved:
 - A Memorandum of Understanding can be used to clearly set out the responsibilities of the various stakeholders and highlight any actions for non-compliant Extractive Companies and Agencies.
 - Amending various existing legislation could be used to allow for the Independent Reconciler access to information as in some instances, the Government Agencies were unclear if disclosure of the requested information would be a breach of confidentiality.
 - New legislation could be used to mandate Extractive Companies and Government Agencies to provide the Reporting Template and supporting documentation required to perform a reconciliation. The legislation may focus on certain payments and/or Extractive Companies or Government Agencies that could be considered material to the public interest. A time frame may be expressed in the legislation for the Extractive Companies and Government Agencies to adhere to.
- ***It should be noted that we have not performed a detailed review of current legislation, however believe these are some of the areas that ZEC and ZEITI Secretariat should consider.***

Improvements for Future Independent Reconciliations

ZEC to appoint appropriate and capable party to investigate Unresolved Discrepancies

To address

- Resolve discrepancies
- Understanding of evidence required
- Review of business process

Details

- ZEC could appoint an appropriate party to continue to work with the Extractive Companies and Government Agencies to address all unresolved discrepancies highlighted in our report.
- This will allow ZEC conclude on the reasons for the discrepancies, given we have not been able to reconcile these due to the lack of adherence to deadlines by the Extractive Companies and Government Agencies and insufficient supporting documentation being provided.
- A report on the conclusion of the investigation should be issued to the Extractive Companies and Government Agencies that highlights to them the common reasons for discrepancies and action plans to address these.
- The report should also include the type of evidence that was used to resolve the discrepancies as this information would be prove invaluable to the *workshop orientation* and the *information pack* discussed earlier.
- The report should also be furnished to the Independent Reconciler who would be expected to perform the next Independent Reconciliation to orientate them of the potential challenges early in the reconciliation.

Improvements for Future Independent Reconciliations

ZEC could reassess the Payments and Participants for Future Reconciliations

To address

- Capture other material payments to Government Agencies
- Capture other material Extractive Companies
- Ensure payments selected are material
- Improve efficiency of reconciliation

Details

- It was noted from our review of the submitted Reporting Templates that over 75% of the total taxes paid came from four taxes totalling approximately ZMK1,305bn (approximately US\$348m) and that 2% of the total taxes paid came from eleven taxes totalling approximately ZMK33bn (approximately US\$8m).
- This illustrates that over 60% of the payments selected had a minimal contribution to the Independent Reconciliation and it is therefore suggested that ZEC could review payments selected in future Independent Reconciliations to ensure the most significant payments are identified for the Independent Reconciliation.
- It was also noted through our challenges with ZCCM-IH that although the company has a significant interest in the extractive industry within Zambia , few payments were being captured by the Reporting Template that were applicable to ZCCM-IH.
- In this regard, ZEC could consider incorporating payments relating to Withholding Tax on Interest & Dividends and Pay As You Earn in the future Independent Reconciliations as although these are usually paid on behalf of third parties, their contribution may be significant.
- Lastly ZEC could considered selecting additional Extractive Companies in future Independent Reconciliations.

Appendix 1 – Finalised Reporting Template



14th Floor New Government Complex
P.O Box 31969
Lusaka, Zambia
Tel: +260 21 123 0832/42
TeleFax: +260 21 123 0840
Email: siforiano2010@gmail.com
Website: www.eiti.org

TEMPLATE A

ZAMBIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (ZEITI) REPORTING TEMPLATE FOR MINING COMPANIES

Name of Reporting Company:							
Licence No.	Type of Licence	Date of Issue	Duration	Date of Expiry	Location of Licence Area	Type of Mineral Extracted	Tonnage produced in 2008
Report on benefits paid to specific Government Ministries, Departments or Agencies for the financial year starting January 2008 to December 2008.							
No.	Type of Payment	Payment to	Currency US\$	Currency ZMK	Comments	Explanatory Notes	
INCOME TAXES							
1)	Corporate Tax						
2)	Wind Fall Tax						
CUSTOMS AND EXCISE DUTY							
3)	Customs/Import Duty						
4)	Excise Duty						
5)	Export Duty						
6)	Asycuda Processing Fees						
SECTOR SPECIFIC							
7)	Mineral Royalty						
8)	Annual Operating Permit						
9)	Mining License fee						
10)	Area charges						
11)	Environmental Protection Fund						
REVENUES PAID TO GRZ AGENCIES (OTHER THAN ZRA AND MMMD)							
12)	Annual Business Fees						
13)	Property Rates						
14)	Ground Rates						
15)	Dividends from Government Shares						
16)	Price Participation Fees						
REVENUES COLLECTED ON BEHALF OF GRZ							
17)	Import VAT						
18)	Non refundable VAT						

a) Company Management sign-off

I acknowledge on behalf of my responsibility for the fair and accurate representation of the information in this completed reporting template, which is submitted in accordance with the guidance provided. The data reported represent cash-based payments which are drawn from accounts audited to international standards.

Name:.....
Position:.....
Signature:.....
Date:.....



b) Reconciler's Report

We have examined the foregoing ZEITI reporting of and have tested the extraction of payments data included in the reporting template and;

- I. Reviewed that the company has reconciled the cash-based payment details it has included in their template to their accrual-based financial statements. Based on this examination, we report that nothing has come to our attention that would lead us to believe that the information disclosed in the template does not represent a fair and accurate summary of payments made to the stated Government Departments or agencies in accordance with instructions on the template; or
- II. We report that based on this examination, we have been unable to reconcile the cash-based receipts included in their template with the payments reported by..... We therefore report that the information disclosed in the template does not represent a fair and accurate summary of payments made by..... in accordance with instructions on the template.

Name:.....
Position:.....
Signature:.....
Date:.....



14th Floor New Government Complex
P.O Box 31969
Lusaka, Zambia
Tel: +260 21 123 0832/42
TeleFax: +260 21 123 0840
Email: siforiano2010@gmail.com
Website: www.eiti.org

TEMPLATE B

ZAMBIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (ZEITI) REPORTING TEMPLATE FOR GOVERNMENT AGENCIES

Name of Reporting Institution:							
Name of Company on which report is based:							
Licence No.	Type of Licence	Date of Issue	Duration	Date of Expiry	Location of Licence Area	Type of Mineral Extracted	Tonnage produced in 2008
Report on payments by mining and prospecting companies for the financial year(s) starting January 2008 to December 2008.							
	Type of Payment	Payment from (specify if payment is made through third party)	Currency US\$	Currency ZMK	Comments	Explanatory Notes	
INCOME TAXES							
1)	Corporate Tax						
2)	Wind Fall Tax						
CUSTOMS AND EXCISE DUTY							
3)	Customs/Import Duty						
4)	Excise Duty						
5)	Export Duty						
6)	Asycuda Processing Fees						
SECTOR SPECIFIC							
7)	Mineral Royalty						
8)	Annual Operating Permit						
9)	Mining License fee						
10)	Area charges						
11)	Environmental Protection Fund						
REVENUES PAID TO GRZ AGENCIES (OTHER THAN ZRA AND MMMD)							
12)	Annual Business Fees						
13)	Property Rates						
14)	Ground Rates						
15)	Dividends from Government Shares						
16)	Price Participation Fees						

REVENUES COLLECTED ON BEHALF OF GRZ

17)	Import VAT					
18)	Non refundable VAT					

a) Management sign-off

I acknowledge on behalf of my responsibility for the fair and accurate representation of the information in this completed reporting template, which is submitted in accordance with the guidance provided. The data reported represent cash-based payments which are drawn from accounts audited to international standards.

Name:.....
 Position:.....
 Signature:.....
 Date:.....



b) Reconciler’s Report

We have examined the foregoing ZEITI reporting of and have tested the extraction of payments data included in the reporting template and;

- I. Reviewed that the company has reconciled the cash-based payment details it has included in their template to their accrual-based financial statements. Based on this examination, we report that nothing has come to our attention that would lead us to believe that the information disclosed in the template does not represent a fair and accurate summary of payments made to the stated Government Departments or agencies in accordance with instructions on the template; or
- II. We report that based on this examination, we have been unable to reconcile the cash-based receipts included in their template with the payments reported by..... We therefore report that the information disclosed in the template does not represent a fair and accurate summary of payments made by..... in accordance with instructions on the template.

Name:.....
 Position:.....
 Signature:.....
 Date:.....

Appendix 2 – Table of ZEC members

Current ZEC members

	Name	Organization		Name	Organization		Name	Organization
1.	Mr Likolo Ndalamei	Ministry of Finance & National Planning	6.	Mr Kalungu J. Sampa	Transparency International (Z).	11.	Mr Nathan Chishimba	Chamber of Mines of Zambia
2.	Mrs Doris Nyangu	Ministry of Mines & Minerals Development	7.	Mr Talent Ng'andwe	MISA Zambia National Chapter	12.	Mr Bill Allen	Chamber of Mines of Zambia
3.	Mrs Mwaka Ndhlovu	Ministry of Justice	8.	Mr Neo Simutanyi	Centre for Policy Dialogue	13.	Mr F Bantubonse	Chamber of Mines of Zambia
4.	Mrs Pricilla Banda	Zambia Revenue Authority	9.	Senior Chief Mujimanzovu	House of Chiefs, Lusaka	14.	Mr Anthony Weber	Chamber of Mines of Zambia
5.	Dr Francis Chipimo	Bank of Zambia	10.	Mr Oswell Munyenembe	Zambia Congress of Trade Unions	15.	Dr Sixtus Mulenga	Chamber of Mines of Zambia

Appendix 3 – Letter from the MMMD setting deadline for deliverables

Communications should be addressed to the
Permanent Secretary
Telephone: 235323 / 235324 / 235325/6
Fax: 235346



REPUBLIC OF ZAMBIA

In reply please quote:

No.

MINISTRY OF MINES AND MINERALS DEVELOPMENT

P.O. Box 31969
LUSAKA

MMMD/101/13/8

1st December 2010

✓ The Town Clerk
Kitwe City Council
KITWE

Attention: Director of Finance

The Town Clerk
Ndola City Council
NDOLA

Attention: Director of Finance

The Town Clerk
Chingola Municipal Council
CHINGOLA

Attention: Director of Finance

The Town Clerk
Lusaka City Council
LUSAKA

Attention: Director of Finance

The Town Clerk
Mufulira Municipal Council
MUFULIRA

Attention: Director of Finance

The Town Clerk
Chililabombwe Municipal Council
CHILILABOMBWE

Attention: Director of Finance

The Council Secretary
Mazabuka District Council
MAZABUKA

Attention: Director of Finance

The Council
Lufwanyama District Council
LUFWANYAMA

Attention: Director of Finance

The Town Clerk
Solwezi Municipal Council
SOLWEZI

Attention: Director of Finance

The Council Secretary
Mumbwa District Council
MUMBWA

Attention: Director of Finance

The Council Secretary
Luanshya District Council
LUANSHYA

Attention: Director of Finance

The Council Secretary
Kalulushi District Council
KALULUSHI

Attention: Director of Finance

Dear Sir/Madam

**DATA COLLECTION FOR EXTRACTIVE INDUSTRIES TRANSPARENCY
INITIATIVE (EITI) REPORT (JANUARY-DECEMBER, 2008**

I refer you to the above subject.

I write to inform you that data collection for the EITI Report, based on the 2008 audited accounts has started.

As you are aware, the main objective of the Report is to publish what Mining Companies pay and what Government Agencies receive as revenue respectively.

I am pleased to inform you that Messrs PriceWaterHouseCoopers (the Consultants) have been contracted to prepare the EITI Reconciliation Report for Zambia. The report will be prepared by using data extracted from audited accounts for 2008 (January -December) for Mining Companies and Government Agencies in accordance with the attached revised templates as discussed at the EITI workshop in Chingola on 26th November, 2010. Template (A) is for Mining Companies and Template (B) is for Government Agencies. The requested data is based on cash payments basis only.

Any information by Mining Companies on corporate social responsibility should be attached to the template as an appendix.

You may wish to note that we are racing against time to prepare the EITI Report as we are remaining with little time to produce and disseminate the Report and produce the Validation Report before 14th May, 2011. This is the deadline for Zambia to attain the EITI compliant status. In this regard, I am therefore requesting you to submit the completed Reporting Templates together with the supporting evidence to confirm the information on the reporting templates (e.g. copy of receipts, audited accounts, statement of accounts etc) latest by 15th December, 2010. I am also requesting you to designate an officer from your accounts section to work with the Consultants in submitting the requested data from your Company or Government Agency. The Mining Companies and Government Agencies which will fail to submit the requested data will be held responsible for Zambia's failure to meet the Validation deadline of 14th May, 2011.

By copy of this letter therefore, I am requesting the Consultants to get in touch with Mining Companies and Government Agencies to collect the requested data according to the attached revised templates with immediate effect.

Please find attached herewith template (A) for mining companies and template (B) for Government Agencies for your use. For any enquires please contact Mr. S. S. Banda, Head EITI Secretariat on 0977611790, email siforiano2010@gmail.com. All reporting templates should be submitted to Mr. Rushil of PriceWaterHouseCoopers r at Stand 2374 Thabo Mbeki Road P.O. Box 30942, Lusaka and can be contacted on cell 0978 635973, Tel +260211 256471/2 , fax +260 211 256474 and email Rushil.patel@zm.pwc.com. The requested information should be submitted through email, fax or should be delivered physically.

Your maximum co-operation is required in this matter.

Yours Faithfully


Dr. Godwin .M. Beene
Permanent Secretary
MINISTRY OF MINES AND MINERALS DEVELOPMENT

Copy: Hon M. B. Mwale, MP
Minister of Mines and Minerals Development
LUSAKA

The Secretary to the Cabinet
Cabinet Office
LUSAKA

The Secretary to the Treasury and Chairperson of ZEC
Ministry of Finance and National Planning
LUSAKA

Ms. Annie Chifungula
Auditor General
Office of the Auditor General
LUSAKA

The Permanent Secretary
Ministry of Local Government and Housing
LUSAKA

Head- EITI Secretariat
LUSAKA

Messrs. PriceWaterHouseCoopers
LUSAKA

All ZEC members

Communications should be addressed to the
Permanent Secretary
Telephone: 235323 / 235324 / 235325/6
Fax: 235346



REPUBLIC OF ZAMBIA

In reply please quote:

No.

MINISTRY OF MINES AND MINERALS DEVELOPMENT

P.O. Box 31969
LUSAKA

MMMD/101/13/8

1st December 2010

The Chief Executive Officer
Lafarge Cement Plc
CHILANGA

Attention: Director of Finance

The Chief Executive Officer
Ndola Lime Company Ltd
NDOLA

Attention: Director of Finance

The Chief Executive officer
Konkola Copper Mines Plc
CHINGOLA

Attention: Director of Finance

The Chief Executive Officer
Kagem Mining Ltd
KITWE

Attention: Director of Finance

The Chief Executive Officer
Sino Leach Metal Plc
KITWE

Attention: Director of Finance

The Chief Executive officer
CNMC – Luanshya Copper Mines Plc
LUANSHYA

Attention: Director of Finance

The General Manager
Albidon Zambia Ltd
MAZABUKA

Attention: Director of Finance

The Chief Executive Officer
Mopani Copper Mines Plc
KITWE

Attention: Director of Finance

The General Manager
Kansanshi Mining Plc
SOLWEZI

Attention: Director of Finance

The Chief Executive Officer
NFC Africa Mining Plc
KITWE

Attention: Director of Finance

The Chief Executive Officer
Maamba Collieries Ltd
LUSAKA

Attention: Director of Finance

The Chief Executive officer
Chambishi Copper Mines Plc
CHAMBISHI

Attention: Director of Finance

The Chief Executive Officer
Chibuluma South Metals
KALULUSHI

Attention: Director of Finance

The Chief Executive Officer
Lumwana Mining Plc
SOLWEZI

Attention: Director of Finance

Dear Sir/Madam

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INITIATIVE (EITI) REPORT (JANUARY-DECEMBER, 2008)**

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Your maximum co-operation is required in this matter.

Yours Faithfully


Dr. Godwin M. Beene
Permanent Secretary
MINISTRY OF MINES AND MINERALS DEVELOPMENT

Copy: Hon M. B. Mwale, MP
Minister of Mines and Minerals Development
LUSAKA

The Secretary to the Cabinet
Cabinet Office
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The Secretary to the Treasury and Chairperson of ZEC
Ministry of Finance and National Planning
LUSAKA

Ms. Annie Chifungula
Auditor General
Office of the Auditor General
LUSAKA

The Permanent Secretary
Ministry of Local Government and Housing
LUSAKA

Head- EITI Secretariat
LUSAKA

Messrs. PriceWaterHouseCoopers
LUSAKA

All ZEC members

Appendix 4 – Disaggregated amounts reported by Extractive Companies

Albidon Zambia Limited

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C- D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	-	-	-	-	-	-	-	-	-
Windfall Tax	ZRA	-	-	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	22,272,691,140	4,304,175,072	17,968,516,068	-	17,968,516,068	17,968,516,068	-	-	17,968,516,068
Excise Duty	ZRA	-	7,873,157	-	7,873,157	-7,873,157	7,873,157	-	-	7,873,157
Export Duty	ZRA	-	-	-	-	-	-	-	-	-
Asycuda Processing Fees	ZRA	-	28,288,800	-	28,288,800	-28,288,800	28,288,800	-	-	28,288,800
Mineral Royalty	ZRA	-	-	-	-	-	-	-	-	-
Annual Operating Permit	MMMD	36,160,000	1,190,000	34,970,000	-	34,970,000	34,970,000	-	-	34,970,000
Mining Licence Fee	MMMD	24,905,988	-	24,905,988	-	24,905,988	24,905,988	-	-	24,905,988
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	-	-	-	-	-	-	-	-	-
Annual Business Fees	Council	171,154,984*	-	171,154,984	-	171,154,984	171,154,984	-	-	171,154,984
Property Rates	Council	237,783,000*	243,880,000*	-	6,097,000	-6,097,000	6,097,000	-	-	6,097,000
Ground Rent	Ministry of Lands	-	-	-	-	-	-	-	-	-
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	20,794,353,364	14,332,404,393	6,461,948,971	-	6,461,948,971	6,461,948,971	-	-	6,461,948,971
Non-refundable VAT	ZRA	4,910,185,553	-	4,910,185,553	-	4,910,185,553	4,910,185,553	-	-	4,910,185,553
Total		48,447,234,029	18,917,811,422	29,571,681,564	42,258,957	29,529,422,607	29,613,940,521	-	-	29,613,940,521

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Chambishi Metals Plc

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C- D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	252,005,713	252,005,713	-	-	-	-	-	-	-
Windfall Tax	ZRA	-	-	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	7,008,169,339	9,392,262,269	-	2,384,092,930	-2,384,092,930	2,384,092,930	-	-	2,384,092,930
Excise Duty	ZRA	214,721,907	230,836,361	-	16,114,454	-16,114,454	16,114,454	-	-	16,114,454
Export Duty	ZRA	-	-	-	-	-	-	-	-	-
Asycuda Processing Fees	ZRA	95,126,040	111,939,120	-	16,813,080	-16,813,080	16,813,080	-	-	16,813,080
Mineral Royalty	ZRA	8,375,520,363	7,990,742,641	384,777,722	-	384,777,722	384,777,722	-	-	384,777,722
Annual Operating Permit	MMMD	-	-	-	-	-	-	-	-	-
Mining Licence Fee	MMMD	-	-	-	-	-	-	-	-	-
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	416,006,600	319,520,320*	96,486,280	-	96,486,280	96,486,280	-	96,486,280	-
Annual Business Fees	Council	-	-	-	-	-	-	-	-	-
Property Rates	Council	850,000,000	850,000,000	-	-	-	-	-	-	-
Ground Rent	Ministry of Lands	-	-	-	-	-	-	-	-	-
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	16,315,562,935	-	16,315,562,935	-	16,315,562,935	16,315,562,935	16,315,562,935	-	-
Import VAT	ZRA	18,412,022,983	18,171,703,295	240,319,688	-	240,319,688	240,319,688	-	-	240,319,688
Non-refundable VAT	ZRA	14,062,907,543	9,228,960	14,053,678,583	-	14,053,678,583	14,053,678,583	-	14,044,449,623	9,228,960
Total		66,002,043,423	37,328,238,679	31,090,825,208	2,417,020,464	28,673,804,744	33,507,845,672	16,315,562,935	14,140,935,903	3,051,346,834

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Chibuluma Mines Plc

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C- D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	20,638,551,643	24,501,376,520	-	3,862,824,877	-3,862,824,877	3,862,824,877	-	-	3,862,824,877
Windfall Tax	ZRA	7,668,552,632	7,668,552,632	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	3,353,079,615	53,073,830	3,300,005,785	-	3,300,005,785	3,300,005,785	-	-	3,300,005,785
Excise Duty	ZRA	-	-	-	-	-	-	-	-	-
Export Duty	ZRA	-	-	-	-	-	-	-	-	-
Asycuda Processing Fees	ZRA	-	999,000	-	999,000	-999,000	999,000	-	-	999,000
Mineral Royalty	ZRA	8,876,615,097	8,640,373,724	236,241,373	-	236,241,373	236,241,373	-	-	236,241,373
Annual Operating Permit	MMMD	990,000	-	990,000	-	990,000	990,000	-	-	990,000
Mining Licence Fee	MMMD	3,960,000	-	3,960,000	-	3,960,000	3,960,000	-	-	3,960,000
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	302,002,232*	302,002,232*	-	-	-	-	-	-	-
Annual Business Fees	Council	-	-	-	-	-	-	-	-	-
Property Rates	Council	36,420,800	65,660,000*	-	29,239,200	-29,239,200	29,239,200	-7,181,600	-	36,420,800
Ground Rent	Ministry of Lands	65,660,000*	-	65,660,000	-	65,660,000	65,660,000	65,660,000	-	-
Dividends from Government Shares	ZCCM-IH	9,553,560,016*	-	9,553,560,016	-	9,553,560,016	9,553,560,016	9,553,560,016	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	-	270,651,572	-	270,651,572	-270,651,572	270,651,572	-	-	270,651,572
Non-refundable VAT	ZRA	-	36,004,264,010	-	36,004,264,010	-36,004,264,010	36,004,264,010	-	-	36,004,264,010
Total		50,499,392,035	77,506,953,520	13,160,417,174	40,167,978,659	- 27,007,561,485	53,328,395,833	9,612,038,416	-	43,716,357,417

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

CNMC – Luanshya Copper Mines

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	-	2,048,365,626	-	2,048,365,626	-2,048,365,626	2,048,365,626	2,048,365,626	-	-
Windfall Tax	ZRA	-	-	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	-	1,736,325,904	-	1,736,325,904	-1,736,325,904	1,736,325,904	1,736,325,904	-	-
Excise Duty	ZRA	-	141,928	-	141,928	-141,928	141,928	141,928	-	-
Export Duty	ZRA	-	-	-	-	-	-	-	-	-
Asycuda Processing Fees	ZRA	-	12,622,320	-	12,622,320	-12,622,320	12,622,320	12,622,320	-	-
Mineral Royalty	ZRA	-	7,093,523,358	-	7,093,523,358	-7,093,523,358	7,093,523,358	7,093,523,358	-	-
Annual Operating Permit	MMMD	-	-	-	-	-	-	-	-	-
Mining Licence Fee	MMMD	-	-	-	-	-	-	-	-	-
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	-	2,439,794,280*	-	2,439,794,280	-2,439,794,280	2,439,794,280	2,439,794,280	-	-
Annual Business Fees	Council	-	-	-	-	-	-	-	-	-
Property Rates	Council	-	2,503,225,000	-	2,503,225,000	-2,503,225,000	2,503,225,000	2,503,225,000	-	-
Ground Rent	Ministry of Lands	-	-	-	-	-	-	-	-	-
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	-	3,506,659,677	-	3,506,659,677	-3,506,659,677	3,506,659,677	3,506,659,677	-	-
Non-refundable VAT	ZRA	-	18,348,042,943	-	18,348,042,943	-18,348,042,943	18,348,042,943	18,348,042,943	-	-
Total		-	37,688,701,036	-	37,688,701,036	-	37,688,701,036	37,688,701,036	-	-

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Note: Non-respondent as did not own mine in 2008

Grizzly Mining Zambia Limited

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C- D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	-	-	-	-	-	-	-	-	-
Windfall Tax	ZRA	-	-	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	-	-	-	-	-	-	-	-	-
Excise Duty	ZRA	-	-	-	-	-	-	-	-	-
Export Duty	ZRA	-	-	-	-	-	-	-	-	-
Asycuda Processing Fees	ZRA	-	-	-	-	-	-	-	-	-
Mineral Royalty	ZRA	-	-	-	-	-	-	-	-	-
Annual Operating Permit	MMMD	-	-	-	-	-	-	-	-	-
Mining Licence Fee	MMMD	-	-	-	-	-	-	-	-	-
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	-	60,354,672*	-	60,354,672	-60,354,672	60,354,672	60,354,672	-	-
Annual Business Fees	Council	-	-	-	-	-	-	-	-	-
Property Rates	Council	-	-	-	-	-	-	-	-	-
Ground Rent	Ministry of Lands	-	18,000,000	-	18,000,000	-18,000,000	18,000,000	18,000,000	-	-
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	-	-	-	-	-	-	-	-	-
Non-refundable VAT	ZRA	-	-	-	-	-	-	-	-	-
Total		-	78,354,672	-	78,354,672	-78,354,672	78,354,672	78,354,672	-	-

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Note: Non-respondent as submitted Reporting Template was not signed

Kagem Mining Limited

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C- D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	-	-	-	-	-	-	-	-	-
Windfall Tax	ZRA	-	-	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	4,225,066	51,502,218	-	47,277,152	-47,277,152	47,277,152	-	-	47,277,152
Excise Duty	ZRA	-	32,102,985	-	32,102,985	-32,102,985	32,102,985	-	-	32,102,985
Export Duty	ZRA	-	-	-	-	-	-	-	-	-
Asycuda Processing Fees	ZRA	-	983,520	-	983,520	-983,520	983,520	-	-	983,520
Mineral Royalty	ZRA	2,223,006,775	1,074,341,925	1,148,664,850	-	1,148,664,850	1,148,664,850	-	-	1,148,664,850
Annual Operating Permit	MMMD	-	-	-	-	-	-	-	-	-
Mining Licence Fee	MMMD	-	-	-	-	-	-	-	-	-
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	33,801,768*	33,801,768*	-	-	-	-	-	-	-
Annual Business Fees	Council	-	-	-	-	-	-	-	-	-
Property Rates	Council	81,685,565	50,000,000	31,685,565	-	31,685,565	31,685,565	-	-	31,685,565
Ground Rent	Ministry of Lands	-	-	-	-	-	-	-	-	-
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	-	88,574,225	-	88,574,225	-88,574,225	88,574,225	-	-	88,574,225
Non-refundable VAT	ZRA	-	207,761,586	-	207,761,586	-207,761,586	207,761,586	-	-	207,761,586
Total		2,342,719,174	1,539,068,227	1,180,350,415	376,699,468	803,650,947	1,557,049,883	-	-	1,557,049,883

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Kansanshi Mining Plc

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C- D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	372,571,536,400*	355,522,738,486	17,048,797,914	-	17,048,797,914	17,048,797,914	-	-	17,048,797,914
Windfall Tax	ZRA	125,005,853,000*	109,520,627,600	15,485,225,400	-	15,485,225,400	15,485,225,400	-	15,485,225,400	-
Customs/Import Duty	ZRA	40,037,880,713	40,549,504,198	-	511,623,485	-511,623,485	511,623,485	-	-	511,623,485
Excise Duty	ZRA	2,117,069,892	2,007,515,409	109,554,483	-	109,554,483	109,554,483	-	-	109,554,483
Export Duty	ZRA	108,808,521,967	100,338,569,417	8,469,952,550	-	8,469,952,550	8,469,952,550	-	-	8,469,952,550
Asycuda Processing Fees	ZRA	688,142,160	212,342,400	475,799,760	-	475,799,760	475,799,760	-	-	475,799,760
Mineral Royalty	ZRA	72,029,961,706	71,572,849,296	457,112,410	-	457,112,410	457,112,410	-	-	457,112,410
Annual Operating Permit	MMMD	-	-	-	-	-	-	-	-	-
Mining Licence Fee	MMMD	-	-	-	-	-	-	-	-	-
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	56,257,940*	1,300,334,392*	-	1,244,076,452	-1,244,076,452	1,244,076,452	-	-	1,244,076,452
Annual Business Fees	Council	-	-	-	-	-	-	-	-	-
Property Rates	Council	12,381,000	-	12,381,000	-	12,381,000	12,381,000	-	-	12,381,000
Ground Rent	Ministry of Lands	34,822,690	-	34,822,690	-	34,822,690	34,822,690	-	-	34,822,690
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	86,066,456,406	83,351,711,667	2,714,744,739	-	2,714,744,739	2,714,744,739	-	-	2,714,744,739
Non-refundable VAT	ZRA	2,756,957,104	13,258,408,112	-	10,501,451,008	-10,501,451,008	10,501,451,008	-	-	10,501,451,008
Total		810,185,840,978	777,634,600,977	44,808,390,946	12,257,150,945	32,551,240,001	57,065,541,891	-	15,485,225,400	41,580,316,491

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Konkola Copper Mines Plc

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C- D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	883,434,775	244,440,522	638,994,253	-	638,994,253	638,994,253	-	638,994,253	-
Windfall Tax	ZRA	-	-	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	37,212,130,738	40,564,531,338	-	3,352,400,600	-3,352,400,600	3,352,400,600	-	-	3,352,400,600
Excise Duty	ZRA	-	47,510,281	-	47,510,281	-47,510,281	47,510,281	-	-	47,510,281
Export Duty	ZRA	-	57,487	-	57,487	-57,487	57,487	-	-	57,487
Asycuda Processing Fees	ZRA	381,038,461	378,669,480	2,368,981	-	2,368,981	2,368,981	-	-	2,368,981
Mineral Royalty	ZRA	58,225,922,914	55,762,431,219	2,463,491,695	-	2,463,491,695	2,463,491,695	-	-	2,463,491,695
Annual Operating Permit	MMMD	9,375,120	-	9,375,120	-	9,375,120	9,375,120	-	-	9,375,120
Mining Licence Fee	MMMD	-	-	-	-	-	-	-	-	-
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	3,845,447,312*	-	3,845,447,312	-	3,845,447,312	3,845,447,312	-	-	3,845,447,312
Annual Business Fees	Council	-	154,336,829	-	154,336,829	-154,336,829	154,336,829	-	-	154,336,829
Property Rates	Council	12,235,905,126	8,358,284,203	3,877,620,923	-	3,877,620,923	3,877,620,923	-	-	3,877,620,923
Ground Rent	Ministry of Lands	-	-	-	-	-	-	-	-	-
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	56,280,000,000	-	56,280,000,000	-	56,280,000,000	56,280,000,000	56,280,000,000	-	-
Import VAT	ZRA	146,748,886,023	190,346,388,036	-	43,597,502,013	-43,597,502,013	43,597,502,013	-	-	43,597,502,013
Non-refundable VAT	ZRA	-	13,230,292	-	13,230,292	-13,230,292	13,230,292	-	-	13,230,292
Total		315,822,140,469	295,869,879,687	67,117,298,284	47,165,037,502	19,952,260,782	114,282,335,786	56,280,000,000	638,994,253	57,363,341,533

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Lafarge Cement Zambia Plc

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	40,285,883,000	40,285,883,000	-	-	-	-	-	-	-
Windfall Tax	ZRA	-	-	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	390,675,233	1,502,723,558	-	1,112,048,325	-1,112,048,325	1,112,048,325	-	-	1,112,048,325
Excise Duty	ZRA	-	-	-	-	-	-	-	-	-
Export Duty	ZRA	-	691,200	-	691,200	-691,200	691,200	-	-	691,200
Asycuda Processing Fees	ZRA	202,879,440	106,617,600	96,261,840	-	96,261,840	96,261,840	-	-	96,261,840
Mineral Royalty	ZRA	276,557,029	-	276,557,029	-	276,557,029	276,557,029	-	-	276,557,029
Annual Operating Permit	MMMD	4,342,176	-	4,342,176	-	4,342,176	4,342,176	-	-	4,342,176
Mining Licence Fee	MMMD	25,000,000	-	25,000,000	-	25,000,000	25,000,000	-	-	25,000,000
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	-	-	-	-	-	-	-	-	-
Annual Business Fees	Council	-	-	-	-	-	-	-	-	-
Property Rates	Council	1,518,300,000	1,566,374,000	-	48,074,000	-48,074,000	48,074,000	-	-	48,074,000
Ground Rent	Ministry of Lands	171,821,500	-	171,821,500	-	171,821,500	171,821,500	-	-	171,821,500
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	10,543,421,719	9,946,875,846	596,545,873	-	596,545,873	596,545,873	-	-	596,545,873
Non-refundable VAT	ZRA	-	21,293,423,763	-	21,293,423,763	-21,293,423,763	21,293,423,763	-	-	21,293,423,763
Total		53,418,880,097	74,702,588,967	1,170,528,418	22,454,237,288	-	23,624,765,706	-	-	23,624,765,706

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

Lumwana Mining Limited

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C- D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	-	-	-	-	-	-	-	-	-
Windfall Tax	ZRA	-	-	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	342,936,816	667,088,144	-	324,151,328	-324,151,328	324,151,328	-	-	324,151,328
Excise Duty	ZRA	71,941,779	45,155,213	26,786,566	-	26,786,566	26,786,566	-	-	26,786,566
Export Duty	ZRA	-	-	-	-	-	-	-	-	-
Asycuda Processing Fees	ZRA	131,961,960	125,079,480	6,882,480	-	6,882,480	6,882,480	-	-	6,882,480
Mineral Royalty	ZRA	-	-	-	-	-	-	-	-	-
Annual Operating Permit	MMMD	-	-	-	-	-	-	-	-	-
Mining Licence Fee	MMMD	48,780,000	-	48,780,000	-	48,780,000	48,780,000	-	-	48,780,000
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	-	-	-	-	-	-	-	-	-
Annual Business Fees	Council	-	-	-	-	-	-	-	-	-
Property Rates	Council	-	-	-	-	-	-	-	-	-
Ground Rent	Ministry of Lands	-	-	-	-	-	-	-	-	-
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	98,534,695,882	102,220,907,793	-	3,686,211,911	-3,686,211,911	3,686,211,911	-	-	3,686,211,911
Non-refundable VAT	ZRA	4,539,070,847	7,503,223,735	-	2,964,152,888	-2,964,152,888	2,964,152,888	-	2,964,152,888	-
Total		103,669,387,284	110,561,454,365	82,449,046	6,974,516,127	-6,892,067,081	7,056,965,173	-	2,964,152,888	4,092,812,285

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

Maamba Collieries Limited

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	-	-	-	-	-	-	-	-	-
Windfall Tax	ZRA	-	-	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	-	13,625,334	-	13,625,334	-13,625,334	13,625,334	-	-	13,625,334
Excise Duty	ZRA	-	-	-	-	-	-	-	-	-
Export Duty	ZRA	-	-	-	-	-	-	-	-	-
Asycuda Processing Fees	ZRA	-	50,040	-	50,040	-50,040	50,040	-	-	50,040
Mineral Royalty	ZRA	81,831,635	-	81,831,635	-	81,831,635	81,831,635	-	-	81,831,635
Annual Operating Permit	MMMD	-	-	-	-	-	-	-	-	-
Mining Licence Fee	MMMD	-	-	-	-	-	-	-	-	-
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	33,760,000*	-	33,760,000	-	33,760,000	33,760,000	-	-	33,760,000
Annual Business Fees	Council	-	-	-	-	-	-	-	-	-
Property Rates	Council	27,702,937	2,101,500	25,601,437	-	25,601,437	25,601,437	-13,976,625	-	39,578,062
Ground Rent	Ministry of Lands	56,470,568	13,976,625	42,493,943	-	42,493,943	42,493,943	13,976,625	-	28,517,318
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	-	16,713,743	-	16,713,743	-16,713,743	16,713,743	-	-	16,713,743
Non-refundable VAT	ZRA	-	3,067,502,286	-	3,067,502,286	-3,067,502,286	3,067,502,286	-	-	3,067,502,286
Total		199,765,140	3,113,969,528	183,687,015	3,097,891,403	-2,914,204,388	3,281,578,418	-	-	3,281,578,418

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Mopani Copper Mines Plc

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C- D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	-	-	-	-	-	-	-	-	-
Windfall Tax	ZRA	-	-	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	38,139,535,440	35,574,031,964	2,565,503,476	-	2,565,503,476	2,565,503,476	-	-	2,565,503,476
Excise Duty	ZRA	-	18,211,642	-	18,211,642	-18,211,642	18,211,642	-	-	18,211,642
Export Duty	ZRA	-	397,427,074	-	397,427,074	-397,427,074	397,427,074	-	-	397,427,074
Asycuda Processing Fees	ZRA	163,736,530	183,402,360	-	19,665,830	19,665,830	19,665,830	-	-	19,665,830
Mineral Royalty	ZRA	76,012,417,648	71,724,700,625	4,287,717,023	-	4,287,717,023	4,287,717,023	-	1,897,649,535	2,390,067,488
Annual Operating Permit	MMMD	-	-	-	-	-	-	-	-	-
Mining Licence Fee	MMMD	-	-	-	-	-	-	-	-	-
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	1,906,938,992*	1,906,938,992*	-	-	-	-	-	-	-
Annual Business Fees	Council	-	-	-	-	-	-	-	-	-
Property Rates	Council	5,350,074,130	5,410,579,355	-	60,505,225	-60,505,225	60,505,225	-	-	60,505,225
Ground Rent	Ministry of Lands	-	-	-	-	-	-	-	-	-
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	59,184,514,277	60,844,532,579	-	1,660,018,302	-1,660,018,302	1,660,018,302	-	-	1,660,018,302
Non-refundable VAT	ZRA	4,233,703,868	15,207,668,113	-	10,973,964,245	-10,973,964,245	10,973,964,245	-	10,728,914,682	245,049,563
Total		184,990,920,885	191,267,492,704	6,853,220,499	13,129,792,318	-6,276,571,819	19,983,012,817	-	12,626,564,217	7,356,448,600

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Ndola Lime Limited

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C- D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	500,000,000	500,000,000	-	-	-	-	-	-	-
Windfall Tax	ZRA	-	-	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	1,616,479,810	720,580,114	895,899,696	-	895,899,696	895,899,696	-	-	895,899,696
Excise Duty	ZRA	1,951,560	-	1,951,560	-	1,951,560	1,951,560	-	-	1,951,560
Export Duty	ZRA	-	-	-	-	-	-	-	-	-
Asycuda Processing Fees	ZRA	-	3,098,880	-	3,098,880	3,098,880	3,098,880	-	-	3,098,880
Mineral Royalty	ZRA	2,994,407,710	1,883,526,233	1,110,881,477	-	1,110,881,477	1,110,881,477	-	-	1,110,881,477
Annual Operating Permit	MMMD	-	-	-	-	-	-	-	-	-
Mining Licence Fee	MMMD	-	-	-	-	-	-	-	-	-
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	-	-	-	-	-	-	-	-	-
Annual Business Fees	Council	-	-	-	-	-	-	-	-	-
Property Rates	Council	-	669,723,041	-	669,723,041	669,723,041	669,723,041	-	-	669,723,041
Ground Rent	Ministry of Lands	350,000,000	-	350,000,000	-	350,000,000	350,000,000	-	-	350,000,000
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	650,204,423	803,228,822	-	153,024,399	153,024,399	153,024,399	-	-	153,024,399
Non-refundable VAT	ZRA	-	9,198,677,188	-	9,198,677,188	9,198,677,188	9,198,677,188	-	-	9,198,677,188
Total		6,113,043,503	13,778,834,278	2,358,732,733	10,024,523,508	7,665,790,775	12,383,256,241	-	-	12,383,256,241

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

NFC Africa Mining Plc

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C- D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	7,958,655,522	7,227,158,192	731,497,330	-	731,497,330	731,497,330	-	-	731,497,330
Windfall Tax	ZRA	8,882,040,909	8,882,040,909	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	2,827,814,990	3,248,151,754	-	420,336,764	-420,336,764	420,336,764	-	-	420,336,764
Excise Duty	ZRA	32,721,854	59,801,693	-	27,079,839	-27,079,839	27,079,839	-	-	27,079,839
Export Duty	ZRA	29,998,564,780	25,141,069,926	4,857,494,854	-	4,857,494,854	4,857,494,854	-	-	4,857,494,854
Asycuda Processing Fees	ZRA	9,183,190	16,346,880	-	7,163,690	-7,163,690	7,163,690	-	-	7,163,690
Mineral Royalty	ZRA	11,895,285,964	12,211,932,532	-	316,646,568	-316,646,568	316,646,568	-	-	316,646,568
Annual Operating Permit	MMMD	40,160,000	-	40,160,000	-	40,160,000	40,160,000	-	-	40,160,000
Mining Licence Fee	MMMD	7,670,000	-	7,670,000	-	7,670,000	7,670,000	-	-	7,670,000
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	377,038,480*	377,038,480*	-	-	-	-	-	-	-
Annual Business Fees	Council	45,000,000	45,000,000	-	-	-	-	-	-	-
Property Rates	Council	410,035,680	400,326,500	9,709,180	-	9,709,180	9,709,180	-	-	9,709,180
Ground Rent	Ministry of Lands	-	-	-	-	-	-	-	-	-
Dividends from Government Shares	ZCCM-IH	5,628,000,000*	-	5,628,000,000	-	5,628,000,000	5,628,000,000	5,628,000,000	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	7,404,596,659	8,488,115,302	-	1,083,518,643	-1,083,518,643	1,083,518,643	-	-	1,083,518,643
Non-refundable VAT	ZRA	-	2,361,328,568	-	2,361,328,568	-2,361,328,568	2,361,328,568	-	2,361,328,568	-
Total		75,516,768,028	68,458,310,736	11,274,531,364	4,216,074,072	7,058,457,292	15,490,605,435	5,628,000,000	2,361,328,568	7,501,276,868

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Sino Leach Metals Limited

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C- D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	-	-	-	-	-	-	-	-	-
Windfall Tax	ZRA	-	-	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	8,750,151,724	1,148,074,477	7,602,077,247	-	7,602,077,247	7,602,077,247	-	-	7,602,077,247
Excise Duty	ZRA	-	-	-	-	-	-	-	-	-
Export Duty	ZRA	-	-	-	-	-	-	-	-	-
Asycuda Processing Fees	ZRA	980,000	11,988,720	-	11,008,720	-11,008,720	11,008,720	-	-	11,008,720
Mineral Royalty	ZRA	-	-	-	-	-	-	-	-	-
Annual Operating Permit	MMMD	900,000	-	900,000	-	900,000	900,000	-	-	900,000
Mining Licence Fee	MMMD	2,160,000	-	2,160,000	-	2,160,000	2,160,000	-	-	2,160,000
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	111,059,200	111,059,200	-	-	-	-	-	-	-
Annual Business Fees	Council	-	45,000,000	-	45,000,000	-45,000,000	45,000,000	-	-	45,000,000
Property Rates	Council	350,000,000	350,000,000	-	-	-	-	-	-	-
Ground Rent	Ministry of Lands	-	-	-	-	-	-	-	-	-
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	10,701,263,151	14,707,735,853	-	4,006,472,702	4,006,472,702.00	4,006,472,702	-	-	4,006,472,702
Non-refundable VAT	ZRA	-	-	-	-	-	-	-	-	-
Total		19,916,514,075	16,373,858,250	7,605,137,247	4,062,481,422	3,542,655,825	11,667,618,669	-	-	11,667,618,669

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

ZCCM-IH

Payment	Due to	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C- D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(F-G-H)
Corporate Tax	ZRA	-	-	-	-	-	-	-	-	-
Windfall Tax	ZRA	-	-	-	-	-	-	-	-	-
Customs/Import Duty	ZRA	-	-	-	-	-	-	-	-	-
Excise Duty	ZRA	-	-	-	-	-	-	-	-	-
Export Duty	ZRA	-	-	-	-	-	-	-	-	-
Asycuda Processing Fees	ZRA	-	-	-	-	-	-	-	-	-
Mineral Royalty	ZRA	-	-	-	-	-	-	-	-	-
Annual Operating Permit	MMMD	-	-	-	-	-	-	-	-	-
Mining Licence Fee	MMMD	-	-	-	-	-	-	-	-	-
Area charges	MMMD	-	-	-	-	-	-	-	-	-
Environmental Protection Fund	MMMD	-	-	-	-	-	-	-	-	-
Annual Business Fees	Council	-	-	-	-	-	-	-	-	-
Property Rates	Council	29,965,023*	26,965,023*	3,000,000	-	3,000,000	3,000,000	-	-	3,000,000
Ground Rent	Ministry of Lands	-	-	-	-	-	-	-	-	-
Dividends from Government Shares	ZCCM-IH	-	-	-	-	-	-	-	-	-
Price Participation Fees	ZCCM-IH	-	-	-	-	-	-	-	-	-
Import VAT	ZRA	-	-	-	-	-	-	-	-	-
Non-refundable VAT	ZRA	-	-	-	-	-	-	-	-	-
Total		29,965,023	26,965,023	3,000,000	-	3,000,000	3,000,000	-	-	3,000,000

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Appendix 5 – Disaggregated amounts reported by payment stream

Corporate Tax

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	-	-	-	-	-	-	-	-	-
Chambishi	252,005,713	252,005,713	-	-	-	-	-	-	-
Chibuluma	20,638,551,643	24,501,376,520	-	3,862,824,877	-3,862,824,877	3,862,824,877	-	-	3,862,824,877
CNMC Luanshya	-	2,048,365,626	-	2,048,365,626	-2,048,365,626	2,048,365,626	2,048,365,626	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	-	-	-	-	-	-	-	-	-
Kansanshi	372,571,536,400*	355,522,738,486	17,048,797,914	-	17,048,797,914	17,048,797,914	-	-	17,048,797,914
Konkola	883,434,775	244,440,522	638,994,253	-	638,994,253	638,994,253	-	638,994,253	-
Lafarge	40,285,883,000	40,285,883,000	-	-	-	-	-	-	-
Lumwana	-	-	-	-	-	-	-	-	-
Maamba	-	-	-	-	-	-	-	-	-
Mopani	-	-	-	-	-	-	-	-	-
Ndola lime	500,000,000	500,000,000	-	-	-	-	-	-	-
NFC Africa	7,958,655,522	7,227,158,192	731,497,330	-	731,497,330	731,497,330	-	-	731,497,330
Sino Leach	-	-	-	-	-	-	-	-	-
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	443,090,067,053	430,581,968,059	18,419,289,497	5,911,190,503	12,508,098,994	24,330,480,000	2,048,365,626	638,994,253	21,643,120,121

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Windfall Tax

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	-	-	-	-	-	-	-	-	-
Chambishi	-	-	-	-	-	-	-	-	-
Chibuluma	7,668,552,632	7,668,552,632	-	-	-	-	-	-	-
CNMC Luanshya	-	-	-	-	-	-	-	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	-	-	-	-	-	-	-	-	-
Kansanshi	125,005,853,000*	109,520,627,600	15,485,225,400	-	15,485,225,400	15,485,225,400	-	15,485,225,400	-
Konkola	-	-	-	-	-	-	-	-	-
Lafarge	-	-	-	-	-	-	-	-	-
Lumwana	-	-	-	-	-	-	-	-	-
Maamba	-	-	-	-	-	-	-	-	-
Mopani	-	-	-	-	-	-	-	-	-
Ndola lime	-	-	-	-	-	-	-	-	-
NFC Africa	8,882,040,909	8,882,040,909	-	-	-	-	-	-	-
Sino Leach	-	-	-	-	-	-	-	-	-
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	141,556,446,541	126,071,221,141	15,485,225,400	-	15,485,225,400	15,485,225,400	-	15,485,225,400	-

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Customs/Import Duty

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	22,272,691,140	4,304,175,072	17,968,516,068	-	17,968,516,068	17,968,516,068	-	-	17,968,516,068
Chambishi	7,008,169,339	9,392,262,269	-	2,384,092,930	-2,384,092,930	2,384,092,930	-	-	2,384,092,930
Chibuluma	3,353,079,615	53,073,830	3,300,005,785	-	3,300,005,785	3,300,005,785	-	-	3,300,005,785
CNMC Luanshya	-	1,736,325,904	-	1,736,325,904	-1,736,325,904	1,736,325,904	1,736,325,904	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	4,225,066	51,502,218	-	47,277,152	-47,277,152	47,277,152	-	-	47,277,152
Kansanshi	40,037,880,713	40,549,504,198	-	511,623,485	-511,623,485	511,623,485	-	-	511,623,485
Konkola	37,212,130,738	40,564,531,338	-	3,352,400,600	-3,352,400,600	3,352,400,600	-	-	3,352,400,600
Lafarge	390,675,233	1,502,723,558	-	1,112,048,325	-1,112,048,325	1,112,048,325	-	-	1,112,048,325
Lumwana	342,936,816	667,088,144	-	324,151,328	-324,151,328	324,151,328	-	-	324,151,328
Maamba	-	13,625,334	-	13,625,334	-13,625,334	13,625,334	-	-	13,625,334
Mopani	38,139,535,440	35,574,031,964	2,565,503,476	-	2,565,503,476	2,565,503,476	-	-	2,565,503,476
Ndola lime	1,616,479,810	720,580,114	895,899,696	-	895,899,696	895,899,696	-	-	895,899,696
NFC Africa	2,827,814,990	3,248,151,754	-	420,336,764	-420,336,764	420,336,764	-	-	420,336,764
Sino Leach	8,750,151,724	1,148,074,477	7,602,077,247	-	7,602,077,247	7,602,077,247	-	-	7,602,077,247
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	161,955,770,624	139,525,650,174	32,332,002,272	9,901,881,822	22,430,120,450	42,233,884,093	1,736,325,904	-	40,497,558,190

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

Excise Duty

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E=(A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	-	7,873,157	-	7,873,157	-7,873,157	7,873,157	-	-	7,873,157
Chambishi	214,721,907	230,836,361	-	16,114,454	-16,114,454	16,114,454	-	-	16,114,454
Chibuluma	-	-	-	-	-	-	-	-	-
CNMC Luanshya	-	141,928	-	141,928	-141,928	141,928	141,928	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	-	32,102,985	-	32,102,985	-32,102,985	32,102,985	-	-	32,102,985
Kansanshi	2,117,069,892	2,007,515,409	109,554,483	-	109,554,483	109,554,483	-	-	109,554,483
Konkola	-	47,510,281	-	47,510,281	-47,510,281	47,510,281	-	-	47,510,281
Lafarge	-	-	-	-	-	-	-	-	-
Lumwana	71,941,779	45,155,213	26,786,566	-	26,786,566	26,786,566	-	-	26,786,566
Maamba	-	-	-	-	-	-	-	-	-
Mopani	-	18,211,642	-	18,211,642	-18,211,642	18,211,642	-	-	18,211,642
Ndola lime	1,951,560	-	1,951,560	-	1,951,560	1,951,560	-	-	1,951,560
NFC Africa	32,721,854	59,801,693	-	27,079,839	-27,079,839	27,079,839	-	-	27,079,839
Sino Leach	-	-	-	-	-	-	-	-	-
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	2,438,406,992	2,449,148,669	138,292,609	149,034,286	-10,741,677	287,326,895	141,928	-	287,184,967

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

Export Duty

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	-	-	-	-	-	-	-	-	-
Chambishi	-	-	-	-	-	-	-	-	-
Chibuluma	-	-	-	-	-	-	-	-	-
CNMC Luanshya	-	-	-	-	-	-	-	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	-	-	-	-	-	-	-	-	-
Kansanshi	108,808,521,967	100,338,569,417	8,469,952,550	-	8,469,952,550	8,469,952,550	-	-	8,469,952,550
Konkola	-	57,487	-	-57,487	-57,487	57,487	-	-	57,487
Lafarge	-	691,200	-	-691,200	-691,200	691,200	-	-	691,200
Lumwana	-	-	-	-	-	-	-	-	-
Maamba	-	-	-	-	-	-	-	-	-
Mopani	-	397,427,074	-	-397,427,074	-397,427,074	397,427,074	-	-	397,427,074
Ndola lime	-	-	-	-	-	-	-	-	-
NFC Africa	29,998,564,780	25,141,069,926	4,857,494,854	-	4,857,494,854	4,857,494,854	-	-	4,857,494,854
Sino Leach	-	-	-	-	-	-	-	-	-
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	138,807,086,747	125,877,815,104	13,327,447,404	-398,175,761	12,929,271,643	13,725,623,165	-	-	13,725,623,165

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

Asyuda Processing Fee

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	-	28,288,800	-	28,288,800	-28,288,800	28,288,800	-	-	28,288,800
Chambishi	95,126,040	111,939,120	-	16,813,080	-16,813,080	16,813,080	-	-	16,813,080
Chibuluma	-	999,000	-	999,000	-999,000	999,000	-	-	999,000
CNMC Luanshya	-	12,622,320	-	12,622,320	-12,622,320	12,622,320	12,622,320	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	-	983,520	-	983,520	-983,520	983,520	-	-	983,520
Kansanshi	688,142,160	212,342,400	475,799,760	-	475,799,760	475,799,760	-	-	475,799,760
Konkola	381,038,461	378,669,480	2,368,981	-	2,368,981	2,368,981	-	-	2,368,981
Lafarge	202,879,440	106,617,600	96,261,840	-	96,261,840	96,261,840	-	-	96,261,840
Lumwana	131,961,960	125,079,480	6,882,480	-	6,882,480	6,882,480	-	-	6,882,480
Maamba	-	50,040	-	50,040	-50,040	50,040	-	-	50,040
Mopani	163,736,530	183,402,360	-	19,665,830	-19,665,830	19,665,830	-	-	19,665,830
Ndola lime	-	3,098,880	-	3,098,880	-3,098,880	3,098,880	-	-	3,098,880
NFC Africa	9,183,190	16,346,880	-	7,163,690	-7,163,690	7,163,690	-	-	7,163,690
Sino Leach	980,000	11,988,720	-	11,008,720	-11,008,720	11,008,720	-	-	11,008,720
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	1,673,047,781	1,192,428,600	581,313,061	100,693,880	480,619,181	682,006,941	12,622,320	-	669,384,621

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

Mineral Royalties

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E=(A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	-	-	-	-	-	-	-	-	-
Chambishi	8,375,520,363	7,990,742,641	384,777,722	-	384,777,722	384,777,722	-	-	384,777,722
Chibuluma	8,876,615,097	8,640,373,724	236,241,373	-	236,241,373	236,241,373	-	-	236,241,373
CNMC Luanshya	-	7,093,523,358	-	7,093,523,358	-7,093,523,358	7,093,523,358	7,093,523,358	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	2,223,006,775	1,074,341,925	1,148,664,850	-	1,148,664,850	1,148,664,850	-	-	1,148,664,850
Kansanshi	72,029,961,706	71,572,849,296	457,112,410	-	457,112,410	457,112,410	-	-	457,112,410
Konkola	58,225,922,914	55,762,431,219	2,463,491,695	-	2,463,491,695	2,463,491,695	-	-	2,463,491,695
Lafarge	276,557,029	-	276,557,029	-	276,557,029	276,557,029	-	-	276,557,029
Lumwana	-	-	-	-	-	-	-	-	-
Maamba	81,831,635	-	81,831,635	-	81,831,635	81,831,635	-	-	81,831,635
Mopani	76,012,417,648	71,724,700,625	4,287,717,023	-	4,287,717,023	4,287,717,023	-	1,897,649,535	2,390,067,487
Ndola lime	2,994,407,710	1,883,526,233	1,110,881,477	-	1,110,881,477	1,110,881,477	-	-	1,110,881,477
NFC Africa	11,895,285,964	12,211,932,532	-	316,646,568	-316,646,568	316,646,568	-	-	316,646,568
Sino Leach	-	-	-	-	-	-	-	-	-
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	240,991,526,841	237,954,421,553	10,447,275,214	7,410,169,926	3,037,105,288	17,857,445,140	7,093,523,358	1,897,649,535	8,866,272,246

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

Annual Operating Permit

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E=(A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	36,160,000	1,190,000	34,970,000	-	34,970,000	34,970,000	-	-	34,970,000
Chambishi	-	-	-	-	-	-	-	-	-
Chibuluma	990,000	-	990,000	-	990,000	990,000	-	-	990,000
CNMC Luanshya	-	-	-	-	-	-	-	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	-	-	-	-	-	-	-	-	-
Kansanshi	-	-	-	-	-	-	-	-	-
Konkola	9,375,120	-	9,375,120	-	9,375,120	9,375,120	-	-	9,375,120
Lafarge	4,342,176	-	4,342,176	-	4,342,176	4,342,176	-	-	4,342,176
Lumwana	-	-	-	-	-	-	-	-	-
Maamba	-	-	-	-	-	-	-	-	-
Mopani	-	-	-	-	-	-	-	-	-
Ndola lime	-	-	-	-	-	-	-	-	-
NFC Africa	40,160,000	-	40,160,000	-	40,160,000	40,160,000	-	-	40,160,000
Sino Leach	900,000	-	900,000	-	900,000	900,000	-	-	900,000
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	91,927,296	1,190,000	90,737,296	-	90,737,296	90,737,296	-	-	90,737,296

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

Mining Licence Fee

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	24,905,988	-	24,905,988	-	24,905,988	24,905,988	-	-	24,905,988
Chambishi	-	-	-	-	-	-	-	-	-
Chibuluma	3,960,000	-	3,960,000	-	3,960,000	3,960,000	-	-	3,960,000
CNMC Luanshya	-	-	-	-	-	-	-	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	-	-	-	-	-	-	-	-	-
Kansanshi	-	-	-	-	-	-	-	-	-
Konkola	-	-	-	-	-	-	-	-	-
Lafarge	25,000,000	-	25,000,000	-	25,000,000	25,000,000	-	-	25,000,000
Lumwana	48,780,000	-	48,780,000	-	48,780,000	48,780,000	-	-	48,780,000
Maamba	-	-	-	-	-	-	-	-	-
Mopani	-	-	-	-	-	-	-	-	-
Ndola lime	-	-	-	-	-	-	-	-	-
NFC Africa	7,670,000	-	7,670,000	-	7,670,000	7,670,000	-	-	7,670,000
Sino Leach	2,160,000	-	2,160,000	-	2,160,000	2,160,000	-	-	2,160,000
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	112,475,988	-	112,475,988	-	112,475,988	112,475,988	-	-	112,475,988

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

Area Charges

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	-	-	-	-	-	-	-	-	-
Chambishi	-	-	-	-	-	-	-	-	-
Chibuluma	-	-	-	-	-	-	-	-	-
CNMC Luanshya	-	-	-	-	-	-	-	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	-	-	-	-	-	-	-	-	-
Kansanshi	-	-	-	-	-	-	-	-	-
Konkola	-	-	-	-	-	-	-	-	-
Lafarge	-	-	-	-	-	-	-	-	-
Lumwana	-	-	-	-	-	-	-	-	-
Maamba	-	-	-	-	-	-	-	-	-
Mopani	-	-	-	-	-	-	-	-	-
Ndola lime	-	-	-	-	-	-	-	-	-
NFC Africa	-	-	-	-	-	-	-	-	-
Sino Leach	-	-	-	-	-	-	-	-	-
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

Environmental Protection Fund

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	-	-	-	-	-	-	-	-	-
Chambishi	416,006,600	319,520,320*	96,486,280	-	96,486,280	96,486,280	-	96,486,280	-
Chibuluma	302,002,232*	302,002,232*	-	-	-	-	-	-	-
CNMC Luanshya	-	2,439,794,280*	-	2,439,794,280	-2,439,794,280	2,439,794,280	2,439,794,280	-	-
Grizzly	-	60,354,672*	-	60,354,672	-60,354,672	60,354,672	60,354,672	-	-
Kagem	33,801,768*	33,801,768*	-	-	-	-	-	-	-
Kansanshi	56,257,940*	1,300,334,392*	-	1,244,076,452	-1,244,076,452	1,244,076,452	-	-	1,244,076,452
Konkola	3,845,447,312*	-	3,845,447,312	-	3,845,447,312	3,845,447,312	-	-	3,845,447,312
Lafarge	-	-	-	-	-	-	-	-	-
Lumwana	-	-	-	-	-	-	-	-	-
Maamba	33,760,000*	-	33,760,000	-	33,760,000	33,760,000	-	-	33,760,000
Mopani	1,906,938,992*	1,906,938,992*	-	-	-	-	-	-	-
Ndola lime	-	-	-	-	-	-	-	-	-
NFC Africa	377,038,480*	377,038,480*	-	-	-	-	-	-	-
Sino Leach	111,059,200*	111,059,200*	-	-	-	-	-	-	-
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	7,082,312,524	6,850,844,336	3,975,693,592	3,744,225,404	231,468,188	7,719,918,996	2,500,148,952	96,486,280	5,123,283,764

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Annual Business Fee

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E=(A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	171,154,984*	-	171,154,984	-	171,154,984	171,154,984	-	-	171,154,984
Chambishi	-	-	-	-	-	-	-	-	-
Chibuluma	-	-	-	-	-	-	-	-	-
CNMC Luanshya	-	-	-	-	-	-	-	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	-	-	-	-	-	-	-	-	-
Kansanshi	-	-	-	-	-	-	-	-	-
Konkola	-	154,336,829	-	-154,336,829	-154,336,829	154,336,829	-	-	154,336,829
Lafarge	-	-	-	-	-	-	-	-	-
Lumwana	-	-	-	-	-	-	-	-	-
Maamba	-	-	-	-	-	-	-	-	-
Mopani	-	-	-	-	-	-	-	-	-
Ndola lime	-	-	-	-	-	-	-	-	-
NFC Africa	45,000,000	45,000,000	-	-	-	-	-	-	-
Sino Leach	-	45,000,000	-	-45,000,000	-45,000,000	45,000,000	-	-	45,000,000
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	216,154,984	244,336,829	171,154,984	-199,336,829	-28,181,845	370,491,813	-	-	370,491,813

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Property Rates

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E=(A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	237,783,000*	243,880,000*	-	6,097,000	-6,097,000	6,097,000	-	-	6,097,000
Chambishi	850,000,000	850,000,000	-	-	-	-	-	-	-
Chibuluma	36,420,800	65,660,000	-	29,239,200	-29,239,200	29,239,200	-7,181,600	-	36,420,800
CNMC Luanshya	-	2,503,225,000	-	2,503,225,000	-2,503,225,000	2,503,225,000	2,503,225,000	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	81,685,565	50,000,000	31,685,565	-	31,685,565	31,685,565	-	-	31,685,565
Kansanshi	12,381,000	-	12,381,000	-	12,381,000	12,381,000	-	-	12,381,000
Konkola	12,235,905,126	8,358,284,203	3,877,620,923	-	3,877,620,923	3,877,620,923	-	-	3,877,620,923
Lafarge	1,518,300,000	1,566,374,000	-	48,074,000	-48,074,000	48,074,000	-	-	48,074,000
Lumwana	-	-	-	-	-	-	-	-	-
Maamba	27,702,937	2,101,500	25,601,437	-	25,601,437	25,601,437	-13,976,625	-	39,578,062
Mopani	5,350,074,130	5,410,579,355	-	60,505,225	-60,505,225	60,505,225	-	-	60,505,225
Ndola lime	-	669,723,041	-	669,723,041	-669,723,041	669,723,041	-	-	669,723,041
NFC Africa	410,035,680	400,326,500	9,709,180	-	9,709,180	9,709,180	-	-	9,709,180
Sino Leach	350,000,000	350,000,000	-	-	-	-	-	-	-
ZCCM - IH	29,965,023	26,965,023	3,000,000	-	3,000,000	3,000,000	-	-	3,000,000
Total	21,140,253,261	20,497,118,622	3,959,998,105	3,316,863,466	643,134,639	7,276,861,571	2,482,066,775	-	4,794,794,796

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Ground Rent

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	-	-	-	-	-	-	-	-	-
Chambishi	-	-	-	-	-	-	-	-	-
Chibuluma	65,660,000	-	65,660,000	-	65,660,000	65,660,000	65,660,000	-	-
CNMC Luanshya	-	-	-	-	-	-	-	-	-
Grizzly	-	18,000,000	-	18,000,000	-18,000,000	18,000,000	18,000,000	-	-
Kagem	-	-	-	-	-	-	-	-	-
Kansanshi	34,822,690	-	34,822,690	-	34,822,690	34,822,690	-	-	34,822,690
Konkola	-	-	-	-	-	-	-	-	-
Lafarge	171,821,500	-	171,821,500	-	171,821,500	171,821,500	-	-	171,821,500
Lumwana	-	-	-	-	-	-	-	-	-
Maamba	56,470,568	13,976,625	42,493,943	-	42,493,943	42,493,943	13,976,625	-	28,517,318
Mopani	-	-	-	-	-	-	-	-	-
Ndola lime	350,000,000	-	350,000,000	-	350,000,000	350,000,000	-	-	350,000,000
NFC Africa	-	-	-	-	-	-	-	-	-
Sino Leach	-	-	-	-	-	-	-	-	-
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	678,774,758	31,976,625	664,798,133	18,000,000	646,798,133	682,798,133	97,636,625	-	585,161,508

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

Dividends from Government Shares

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	-	-	-	-	-	-	-	-	-
Chambishi	-	-	-	-	-	-	-	-	-
Chibuluma	9,553,560,016*	-	9,553,560,016	-	9,553,560,016	9,553,560,016	9,553,560,016	-	-
CNMC Luanshya	-	-	-	-	-	-	-	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	-	-	-	-	-	-	-	-	-
Kansanshi	-	-	-	-	-	-	-	-	-
Konkola	-	-	-	-	-	-	-	-	-
Lafarge	-	-	-	-	-	-	-	-	-
Lumwana	-	-	-	-	-	-	-	-	-
Maamba	-	-	-	-	-	-	-	-	-
Mopani	-	-	-	-	-	-	-	-	-
Ndola lime	-	-	-	-	-	-	-	-	-
NFC Africa	5,628,000,000*	-	5,628,000,000	-	5,628,000,000	5,628,000,000	5,628,000,000	-	-
Sino Leach	-	-	-	-	-	-	-	-	-
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	15,181,560,016	-	15,181,560,016	-	15,181,560,016	15,181,560,016	15,181,560,016	-	-

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Price Participation Fee

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	-	-	-	-	-	-	-	-	-
Chambishi	16,315,562,935*	-	16,315,562,935	-	16,315,562,935	16,315,562,935	16,315,562,935	-	-
Chibuluma	-	-	-	-	-	-	-	-	-
CNMC Luanshya	-	-	-	-	-	-	-	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	-	-	-	-	-	-	-	-	-
Kansanshi	-	-	-	-	-	-	-	-	-
Konkola	56,280,000,000*	-	56,280,000,000	-	56,280,000,000	56,280,000,000	56,280,000,000	-	-
Lafarge	-	-	-	-	-	-	-	-	-
Lumwana	-	-	-	-	-	-	-	-	-
Maamba	-	-	-	-	-	-	-	-	-
Mopani	-	-	-	-	-	-	-	-	-
Ndola lime	-	-	-	-	-	-	-	-	-
NFC Africa	-	-	-	-	-	-	-	-	-
Sino Leach	-	-	-	-	-	-	-	-	-
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	72,595,562,935	-	72,595,562,935	-	72,595,562,935	72,595,562,935	72,595,562,935	-	-

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

* These amounts were only reported in United States Dollars and have been translated at the average rate for 2008 of ZMK 3,752/US \$

Import VAT

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E= (A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	20,794,353,364	14,332,404,393	6,461,948,971	-	6,461,948,971	6,461,948,971	-	-	6,461,948,971
Chambishi	18,412,022,983	18,171,703,295	240,319,688	-	240,319,688	240,319,688	-	-	240,319,688
Chibuluma	-	270,651,572	-	270,651,572	-270,651,572	270,651,572	-	-	270,651,572
CNMC Luanshya	-	3,506,659,677	-	3,506,659,677	-3,506,659,677	3,506,659,677	3,506,659,677	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	-	88,574,225	-	88,574,225	-88,574,225	88,574,225	-	-	88,574,225
Kansanshi	86,066,456,406	83,351,711,667	2,714,744,739	-	2,714,744,739	2,714,744,739	-	-	2,714,744,739
Konkola	146,748,886,023	190,346,388,036	-	43,597,502,013	-43,597,502,013	43,597,502,013	-	-	43,597,502,013
Lafarge	10,543,421,719	9,946,875,846	596,545,873	-	596,545,873	596,545,873	-	-	596,545,873
Lumwana	98,534,695,882	102,220,907,793	-	3,686,211,911	-3,686,211,911	3,686,211,911	-	-	3,686,211,911
Maamba	-	16,713,743	-	16,713,743	-16,713,743	16,713,743	-	-	16,713,743
Mopani	59,184,514,277	60,844,532,579	-	1,660,018,302	-1,660,018,302	1,660,018,302	-	-	1,660,018,302
Ndola lime	650,204,423	803,228,822	-	153,024,399	-153,024,399	153,024,399	-	-	153,024,399
NFC Africa	7,404,596,659	8,488,115,302	-	1,083,518,643	-1,083,518,643	1,083,518,643	-	-	1,083,518,643
Sino Leach	10,701,263,151	14,707,735,853	-	4,006,472,702	-4,006,472,702	4,006,472,702	-	-	4,006,472,702
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	459,040,414,887	507,096,202,803	10,013,559,271	58,069,347,187	-48,055,787,916	68,082,906,458	3,506,659,677	-	64,576,246,781

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

Non-refundable VAT

Company Name	Reported by Extractive Company ZMK (A)	Reported by Government Agencies ZMK (B)	Over Reported ZMK (C)	Under Reported ZMK (D)	Net Discrepancies ZMK E=(A-B) or (C-D)	Absolute Discrepancies ZMK F=(C+D)	Adjusted ZMK G	Reconciled ZMK H	Unresolved Discrepancies ZMK I=(E-G-H)
Albidon	4,910,185,553	-	4,910,185,553	-	4,910,185,553	4,910,185,553	-	-	4,910,185,553
Chambishi	14,062,907,543	9,228,960	14,053,678,583	-	14,053,678,583	14,053,678,583	-	14,044,449,622	9,228,960
Chibuluma	-	36,004,264,010	-	36,004,264,010	-36,004,264,010	36,004,264,010	-	-	36,004,264,010
CNMC Luanshya	-	18,348,042,943	-	18,348,042,943	-18,348,042,943	18,348,042,943	18,348,042,943	-	-
Grizzly	-	-	-	-	-	-	-	-	-
Kagem	-	207,761,586	-	207,761,586	-207,761,586	207,761,586	-	-	207,761,586
Kansanshi	2,756,957,104	13,258,408,112	-	10,501,451,008	-10,501,451,008	10,501,451,008	-	-	10,501,451,008
Konkola	-	13,230,292	-	13,230,292	-13,230,292	13,230,292	-	-	13,230,292
Lafarge	-	21,293,423,763	-	21,293,423,763	-21,293,423,763	21,293,423,763	-	-	21,293,423,763
Lumwana	4,539,070,847	7,503,223,735	-	2,964,152,888	-2,964,152,888	2,964,152,888	-	2,964,152,888	-
Maamba	-	3,067,502,286	-	3,067,502,286	-3,067,502,286	3,067,502,286	-	-	3,067,502,286
Mopani	4,233,703,868	15,207,668,113	-	10,973,964,245	-10,973,964,245	10,973,964,245	-	10,728,914,682	245,049,563
Ndola lime	-	9,198,677,188	-	9,198,677,188	-9,198,677,188	9,198,677,188	-	-	9,198,677,188
NFC Africa	-	2,361,328,568	-	2,361,328,568	-2,361,328,568	2,361,328,568	-	2,361,328,568	-
Sino Leach	-	-	-	-	-	-	-	-	-
ZCCM - IH	-	-	-	-	-	-	-	-	-
Total	30,502,824,915	126,472,759,556	18,963,864,136	114,933,798,777	-95,969,934,641	133,897,662,913	18,348,042,943	30,098,845,760	85,450,774,209

Source: Submitted Reporting Templates and PricewaterhouseCoopers Limited

Appendix 6 – Illustration of difference between net and absolute discrepancies

Illustration of difference between net and absolute discrepancies

Our analysis of the submitted Reporting Templates highlighted net discrepancies of ZMK12bn (approximately US\$3m). However on further analysis, we identified absolute discrepancies of ZMK421bn (approximately US\$112m).

It is important to note the difference between the “**net**” and “**absolute**” discrepancies.

Net discrepancies: These represent the summation of under reported and over reported payments made by the Extractive Companies to Government Agencies.

An over reported payment and under reported discrepancy will arise unless amounts reported by both the Extractive Company and Government Agency are equal.

For the analysis, over-reported payments have been considered a positive discrepancy where as under-reported payments have been treated as a negative discrepancy.

This results in discrepancies being netted off when the two types of discrepancies are added i.e. one being positive and the other being negative.

This is illustrated in the table above. If one Extractive Company over-reported ZMK10bn as an overpayment for say *Corporation Tax* but another Extractive Company under-reported ZMK10bn as an underpayment for the same payment stream, the “net” effect would be a **nil discrepancy**. This nil discrepancy implies that on a total basis, there are no discrepancies to highlight to the reader which is misleading as in actual fact, there are discrepancies between the reported amounts between Extractive Companies and Government Agencies.

Absolute discrepancies: To address the above, the discrepancies have been considered on an “absolute” basis which has meant that irrespective of the payments being over or under-reported, the discrepancies have been converted to a **positive value**. As such, in the above illustration, the “absolute” discrepancies will be **ZMK20bn** in comparison to the “net” discrepancy of nil.

Converting the discrepancies from a net to an absolute basis is more meaningful for the reader as it allows the reader to better understand the quantum of the discrepancies. In this regard, our analysis has focused on the absolute discrepancies and not the net discrepancies.

Illustration of difference between net and absolute discrepancies

Name	Net Basis Tax ZMK' Billion	Absolute Basis Tax ZMK' Billion
Extractive Company 1	10	10
Extractive Company 2	-10	10
Discrepancies	-	20

Source: PricewaterhouseCoopers Limited (for illustrative purposes only)

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