

INNS PAPER

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TABLE OF CONTENTS

01	Introduction	P3-4
02	Legal Universe	P5-7
03	Legislative Developments	P8-10
04	Mandatory Kwacha Settlement for Domestic Transactions	P11-13
05	The Constitution of Zambia (Amendment) Act No. 13 of 2025	P14-16
06	Corporate Compliance Checklist: Key Statutory Deadlines for 2026	P17-18
07	Beyond Compliance: Six Focus Areas for Directors in the First Quarter	P19-22



Dear Clients and Partners,

As we move further into 2026, we are pleased to share the third issue of the InnsPaper - reflecting our continued commitment to keeping you informed, prepared and strategically positioned within an evolving legal and regulatory landscape.

The start of the year is a natural point for governance reflection, compliance recalibration and forward planning. In this edition, we focus on key legislative and regulatory developments shaping corporate and institutional operations - including the Constitutional Amendment Act, new central bank directives and critical compliance dates for 2026.

Continue reading on next page...

These developments signal material shifts in oversight, financial regulation and operational accountability for businesses and professionals alike.

We also include curated case law insights, highlighting recent judicial pronouncements that continue to refine legal interpretation across commercial practice areas. Our aim is not only to inform, but to contextualise - translating legal change into practical guidance that supports decision-making at board and management level.

At August Hill & Associates, knowledge-sharing remains central to how we serve our clients. We recognise that today's business environment demands legal partners who are not only technically proficient, but also commercially attuned and forward-looking. This philosophy continues to shape our advisory, litigation and governance support services.

In This Issue

Landmark Court Decisions: Recent judgments shaping corporate, employment and commercial jurisprudence.

Bank of Zambia Directive: Mandatory Kwacha Settlement for Domestic Transactions: What Businesses Need to Know

Legislative Developments: Key statutory updates

The Constitution of Zambia (Amendment) Act No. 13 of 2025: Key Reforms and Governance Implications

Regulatory & Compliance Calendar 2026: Critical statutory and regulatory filing and compliance dates for the year ahead.

Governance Note: Beyond Compliance - First-quarter reflections and best-practice considerations for directors and boards.

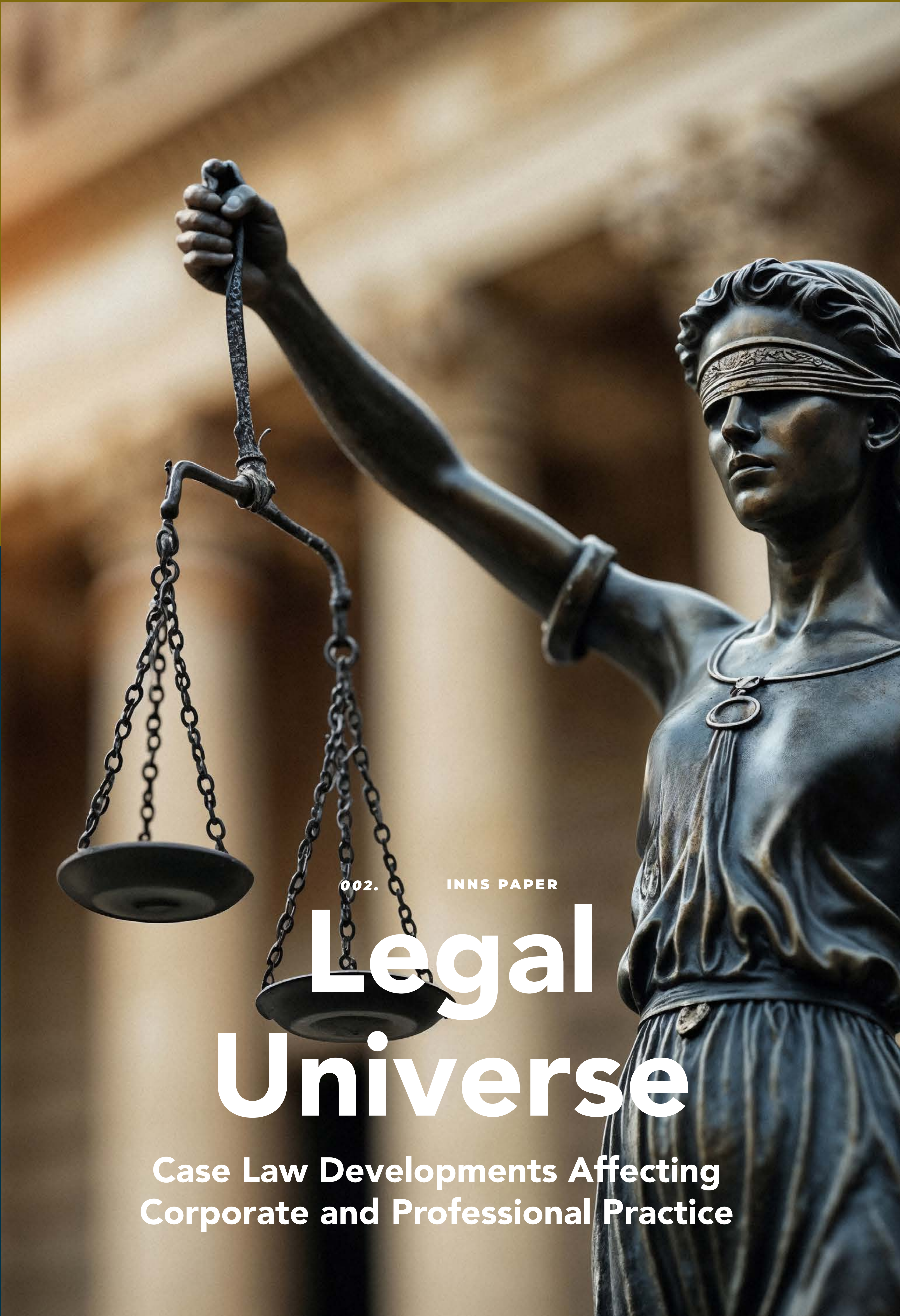
We trust this issue will provide valuable insight as you plan for the year ahead. We thank you for your continued partnership and look forward to supporting your organisation's legal and governance priorities in 2026 and beyond.

I hope you enjoy reading this issue as much as we enjoy preparing it.

Best regards,

Layeni Phiri
Managing Partner





002.

INNS PAPER

Legal Universe

Case Law Developments Affecting
Corporate and Professional Practice

Recent judicial pronouncements continue to refine the legal landscape across corporate governance, employment relations, civil procedure and commercial litigation. The courts have addressed critical questions ranging from jurisdictional competence and disciplinary due process to creditor rights, workplace liability and estate obligations.

For corporates and professionals, these decisions offer practical guidance on risk exposure, compliance conduct and litigation strategy. The case summaries below distil the salient principles emerging from the courts and highlight their operational significance.

Raymond West Evans v Loanco Limited [2025] ZMCA 168

This matter centred on jurisdictional competence and the procedural validity of commencing proceedings during court vacation without judicial leave.

The appellant initiated proceedings in the High Court during the Michaelmas vacation without obtaining the mandatory judicial leave. The respondent challenged the competence of the action on jurisdictional grounds, while also filing a cross-appeal regarding the lower court's refusal to award costs after succeeding on a preliminary issue.

The Court of Appeal dismissed the main appeal, holding that failure to obtain leave constituted a jurisdictional defect that rendered the proceedings incompetent. The cross-appeal succeeded, with the Court reaffirming the principle that costs ordinarily follow the event and should have been awarded to the successful party.

Takeaway:

Compliance with procedural filing requirements is jurisdictional, not technical. Proceedings commenced without requisite leave risk nullification and successful preliminary objections ordinarily attract costs.

Bright Jangazya v First National Bank Zambia Limited [2025] ZMCA 182

This case examined procedural fairness in employer disciplinary proceedings and the extent of judicial interference in workplace sanctions.

The appellant challenged his dismissal from employment, alleging bias in the disciplinary panel and procedural irregularities in the hearing process. He argued that the disciplinary framework applied by the employer fell short of statutory and common law fairness standards.

The Court of Appeal dismissed the appeal, finding that the offences were dismissible and that the disciplinary process complied with due process requirements. The Court also relied on established precedent governing employer disciplinary authority and procedural propriety.

Takeaway:

Where employers follow fair procedure and established disciplinary frameworks, courts are generally reluctant to interfere with dismissal outcomes.

Lamasat International Limited v African Banking Corporation Zambia Limited [2025] ZMCA 183

This matter addressed judicial recusal, bias thresholds and the preservation of adjudicative impartiality.

The applicant sought the recusal of the presiding judge on the basis of a complaint lodged against him before the Judicial Code of Conduct. The argument rested on the perceived risk of bias arising from the pending complaint.

Although the Court found the evidentiary basis insufficient to meet the legal test for recusal, the judge elected to administratively recuse himself after consultation with the Judge President to preserve the appearance of impartiality.

Takeaway:

Recusal requires demonstrable risk of bias, but courts may still step aside administratively to safeguard public confidence in judicial neutrality.

James Pelekelo v Tongguan Mines Construction Zambia Limited [2025] ZMHC 131

This case considered employer negligence, statutory safety obligations and contributory fault in workplace injury claims.

The plaintiff sustained injuries in the course of mining operations and sued his employer for breach of statutory duty and common law negligence. The claim was grounded in failures relating to workplace safety protections.

The High Court ruled in favour of the employee but found him 15% contributorily negligent. Damages were therefore apportioned, with the employer liable for 85% of the assessed compensation.

Takeaway:

Employers bear primary responsibility for workplace safety but damages may be reduced where employee conduct contributes to the harm.

Copperbelt Energy Corporation Plc v Konkola Copper Mines Plc [2025] ZMCA 128

This appeal focused on creditor rights and judicial oversight in schemes of arrangement.

Copperbelt Energy Corporation challenged its classification under a restructuring scheme, arguing that its creditor status had been improperly categorised, thereby prejudicing its voting and recovery rights.

The Court of Appeal upheld the challenge and varied the scheme to recognise CEC as a preferential creditor. The Court emphasised that sanctioning a scheme is not a procedural formality and requires substantive scrutiny of fairness and creditor classification.

Takeaway:

Courts play an active supervisory role in corporate restructuring and will intervene where creditor rights are improperly structured or diluted.

Janus Walentin Jensen (Executor of the Estate of the late Kathrine Walentin Jensen) v Louann Chalcraft (Executrix of the Estate of the late Peter John Chalcraft) [2026] ZMHC 4

This matter concerned the enforcement of financial obligations between deceased estates and the evidentiary burden required to sustain such claims.

One estate sought to enforce alleged financial obligations arising from transactions concluded during the lifetimes of the deceased parties. The dispute required the Court to determine whether enforceable liability had been sufficiently established.

The Court assessed the evidentiary record and the governing principles of estate liability, ultimately determining the extent to which the claim was legally sustainable.

Takeaway:

Executors are obligated to satisfy only those claims against an estate that are strictly proven and legally enforceable. The decision underscores the evidentiary discipline required when asserting inter-estate financial claims. permissible boundaries of legal practice in Zambia and the interpretation of dual professional roles under the current regulatory framework.



003.

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Legislative Developments

In the last quarter of 2025, Zambia enacted a series of significant legislative reforms aimed at strengthening governance, regulatory oversight and economic accountability across both the public and private sectors. Key among these were the Constitution of Zambia (Amendment) Act No. 13 of 2025 (for which we provided a detailed article), the Occupational Health and Safety Act No. 16 of 2025 and the Income Tax (Amendment) Act No. 10 of 2025, each introducing structural changes designed to enhance institutional inclusivity, workplace protection and fiscal sustainability. Collectively, these laws signal the Government's intent to modernise foundational systems that directly influence corporate operations, labour environments and national revenue frameworks.

Complementing these reforms, the Small Claims Court (Amendment) Act No. 15 of 2025 and the Mobile Money Transaction Levy (Amendment) Act No. 22 of 2025 were enacted to improve commercial dispute resolution and streamline digital financial transactions. Alongside the far-reaching Companies (Amendment) Act No. 23 of 2025 - which advances corporate transparency, beneficial ownership disclosure and anti-money laundering compliance - these developments reflect Zambia's broader commitment to strengthening corporate governance, financial integrity and ease of doing business within an evolving regulatory landscape.

The Occupational Health and Safety Act No. 16 of 2025

The Occupational Health and Safety Act establishes a comprehensive compliance framework governing workplace health, safety and welfare across both the public and private sectors. The legislation imposes clear statutory duties on employers to provide safe systems of work, conduct risk assessments and implement preventative safety policies designed to minimise occupational injuries, diseases and fatalities. It further formalises employee rights, including protections against hazardous exposures and unsafe machinery.

From a corporate risk and governance perspective, the Act elevates workplace safety to a board-level priority. Mandatory reporting of accidents, diseases and dangerous occurrences - supported by inspectorate enforcement and robust penalties for non-compliance - requires organisations to adopt proactive monitoring and documentation systems. The emphasis on cultivating a preventative safety culture, rather than reactive enforcement alone, positions health and safety as both a legal obligation and a strategic operational imperative.

The Income Tax (Amendment) Act No. 10 of 2025

This Amendment introduces the Minimum Alternative Tax, a structural reform designed to ensure that entities contribute tax based on turnover even in circumstances where declared profits are minimal or nil. Applicable to persons and partnerships, the tax is calculated on total turnover and operates as a fiscal floor, with a capped annual rate of 1%. Importantly, Minimum Alternative Tax paid may be credited against future income tax liabilities for up to five years.

In addition, the Act revises withholding tax rates on interest income, including returns earned on Treasury Bills and Government bonds, standardising the rate at 20%. For corporates, financial institutions and professional partnerships, these changes necessitate recalibrated tax planning, cash-flow modelling and compliance reporting. The reform reflects the Government's broader revenue-protection agenda, particularly targeting high-turnover entities with historically low taxable income declarations.

The Small Claims Court (Amendment) Act No. 15 of 2025

The Small Claims Court Amendment modernises Zambia's small claims litigation framework by expanding jurisdiction, refining procedural rules and strengthening enforcement mechanisms. The Act redefines qualifying claims, focusing on liquidated matters within monetary limits prescribed by the Chief Justice, while broadening categories to include debts, rentals, property possession and prescribed employment-related claims.

For businesses and professionals, the reforms enhance access to efficient dispute resolution. Corporate entities may now be represented by authorised officers, employees or agents, reducing reliance on formal legal representation for lower-value matters. Strengthened contempt provisions, clearer review mechanisms and structured commissioner appointments collectively improve court accountability and procedural certainty - enabling faster, more cost-effective recovery and enforcement of civil claims.

The Mobile Money Transaction Levy (Amendment) Act No. 22 of 2025

This Amendment revises the mobile money levy regime by introducing a simplified structure based on fixed transaction bands rather than percentage-based charges. Applicable primarily to person-to-person transfers - including wallet-to-wallet self-transfers - the new framework replaces the prior Schedule with predetermined levy amounts, effective 1st January 2026.

The shift toward flat levies is intended to enhance predictability and administrative efficiency for financial service providers, fintech operators and corporates processing high transaction volumes. By clarifying definitions and broadening the levy base, the Act aims to strengthen compliance consistency while enabling easier system integration and automated deductions. For businesses operating within digital payments ecosystems, the reform provides greater cost visibility and operational planning certainty.

The Companies (Amendment) Act No. 23 of 2025

This Amendment represents one of the most significant overhauls of Zambia's corporate regulatory regime, with a strong focus on beneficial ownership transparency, anti-money laundering and counter-terrorism financing compliance. Companies are now required to maintain accurate, adequate and up-to-date beneficial ownership records, with expanded registrar powers to verify disclosures, impose penalties and initiate de-registration for non-compliance.

The Act further prohibits bearer shares, tightens incorporation and reporting requirements and introduces severe administrative and criminal sanctions for governance breaches. Enhanced disclosure obligations relating to nominees, directors and controlling persons - together with international cooperation provisions - align Zambia's corporate framework with global financial integrity standards. For corporates and professional firms, the legislation materially heightens compliance responsibilities, elevating transparency, record-keeping and governance oversight to strategic operational priorities.



004.

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Mandatory Kwacha Settlement for Domestic Transactions: What Businesses Need to Know

The Bank of Zambia has issued the Currency Directives, 2025, introducing mandatory rules governing how payments must be settled for transactions conducted within Zambia. Issued under sections 18 and 73 of the Bank of Zambia Act, 2022, the Directives reinforce the legal requirement that the Kwacha and Ngwee are the sole legal tender for domestic transactions. The measures came into force immediately upon publication in the Government Gazette on the 26th of December 2025, signaling a decisive regulatory move to strengthen currency control, financial transparency and monetary sovereignty.

For corporates, financial institutions and professionals, the Directives create immediate compliance obligations while also introducing operational, contractual and regulatory risk where payment structures do not align with the new framework.

Mandatory Use of Kwacha

At the core of the Directives is the requirement that all domestic transactions must now be settled exclusively in Zambian Kwacha (ZMW). A domestic transaction is broadly defined as any public or private transaction within Zambia involving payment for the credit of a person resident in Zambia, except as provided in the Schedule of Exemptions.

This requirement applies across a wide commercial spectrum, including the supply of goods and services, local service contracts, rent and lease payments, professional fees and most government-related transactions. While parties may still quote, invoice or price in foreign currency for reference or risk-hedging purposes, settlement must occur in Kwacha unless the transaction falls within an approved exemption category.

The practical implication is clear: ordinary commercial dealings between Zambian residents - from property leases to consultancy agreements - must now conclude in Kwacha settlement, regardless of foreign currency pricing benchmarks.

Foreign Currency Contracts and Conversion

The Directives recognise that certain sectors remain indexed to foreign currency pricing. Accordingly, parties may denominate contracts in foreign currency; however, the payment obligation must still be discharged in Kwacha.

Conversion must be based on the prevailing market exchange rate or, where parties cannot agree, the Bank of Zambia Kwacha/foreign currency mid-rate. This introduces an additional layer of financial planning, particularly for long-term contracts exposed to exchange volatility, requiring businesses to re-evaluate pricing clauses, escalation formulas and currency risk allocation.

Government Transactions

The Directives adopt a stricter posture where the Government is a contracting party. In such instances, neither Government nor its counterparty may quote, invoice, demand or receive payment in foreign currency for domestic transactions, unless it falls within an official exemption.

This provision has significant implications for contractors, suppliers and service providers engaged in public sector work, effectively standardising Kwacha-only settlement across most government procurement and service arrangements.

Approved Exemptions

Foreign currency settlement is permitted only within specifically defined sectors and transaction classes. The Schedule sets out specific exemptions. By way of illustration, these include segments of the mining industry - such as tolling services, specialised engineering services and intra-company mineral sales - as well as foreign currency loan repayments and certain financial instruments within the financial services sector.

Tourism operators may accept foreign currency payments from non-residents for registered services, while trade-related transactions such as imports, exports and agricultural commodity sales through aggregators also qualify. Additional exemptions apply to electricity trading, diplomatic missions and select statutory toll payments.

Businesses operating within these sectors must still exercise caution. Each transaction must be carefully mapped to the exemption schedule, as misclassification could trigger regulatory

breaches.

Penalties and Regulatory Risk

Non-compliance with the Directives may constitute a statutory offence. Penalties include fines of up to 2,500 penalty units, imprisonment of up to two years, or both. The Bank of Zambia may also impose administrative penalties of up to 1,000,000 penalty units, with directors and senior managers potentially exposed to personal liability for corporate violations.

Beyond statutory sanctions, non-compliance carries broader commercial consequences. These include adverse regulatory findings affecting licensing status, strained banking relationships and contractual disputes where foreign currency payment clauses conflict with

the Directives' enforceability framework.

Practical Implementation Steps

In light of the Directives, organisations should undertake immediate compliance reviews. Priority actions include updating contract templates, aligning invoicing and payment systems to Kwacha settlement and training finance, procurement and sales teams on the new requirements.

Businesses should also communicate settlement changes to customers and suppliers while maintaining detailed records supporting any foreign currency transactions that fall within exemption categories.

As regulatory enforcement intensifies, proactive alignment will be essential. The Directives not only reshape payment practices but reinforce the broader compliance expectation that domestic commercial activity must remain anchored to Zambia's legal tender framework.



005.

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The Constitution of Zambia (Amendment) Act No. 13 of 2025: Key Reforms and Governance Implications

On 18th December 2025, at a ceremonial signing held at the Kenneth Kaunda Wing of the Mulungushi International Conference Centre, President Hakainde Hichilema assented to the Constitution of Zambia (Amendment) Act No. 13 of 2025. The enactment marked the culmination of a complex legislative process originating from Bill 7 of 2025, which underwent extensive re-engineering by a Technical Committee following constitutional challenges before the Constitutional Court.

The amendments collectively target longstanding structural concerns within Zambia's electoral and governance framework - particularly issues relating to inclusivity, nomination disputes, incumbency advantage and institutional clarity. The reforms introduce both structural and procedural adjustments designed to strengthen representative democracy, electoral fairness and administrative certainty.

Mixed-Member Proportional Representation

A central reform is the entrenchment of a Mixed-Member Proportional Representation (MMPR) system under Article 47. The model combines traditional First-Past-the-Post constituency and ward seats with proportional representation seats reserved for women, youths and persons with disabilities.

This reform seeks to directly address the chronic under-representation of marginalised groups and distortions inherent in pure constituency - based systems. By linking allocation of proportional seats to presidential vote share, the Constitution now introduces a transparent, rule-based formula that more accurately reflects national political preferences while strengthening inclusive representation.

Nomination Procedures and Electoral Certainty

Amendments to Article 52 introduce stricter nomination requirements, including mandatory affidavits confirming candidate eligibility. Courts are now expressly empowered not only to hear but to determine nomination disputes, while clear rules govern candidate withdrawal, disqualification and death after nominations close.

These changes resolve past procedural uncertainty that often triggered litigation and electoral disruption. By establishing definitive legal pathways, the reforms streamline dispute resolution and protect the integrity of electoral timelines.

Parliamentary Composition and Constituency Alignment

Articles 58 and 68 restructure the composition of the National Assembly, fixing it at 226 constituency Members of Parliament and 40 proportional representation Members - specifically allocated to women, youths and persons with disabilities.

By constitutionally anchoring both constituency numbers and proportional seats, the amendments curb potential manipulation of constituency boundaries while institutionalising inclusive legislative participation. Caps on nominated Members further limit the scope for political patronage.

Election Petitions and Judicial Finality

Targeted textual amendments across Articles 73, 103 and 159 clarify that election petitions must be both “heard and determined” by the courts. This resolves interpretive ambiguity regarding whether courts were required to issue final, binding rulings within constitutional timelines.

The reform reinforces judicial authority and enhances electoral certainty by preventing procedural delays or inconclusive determinations.

Dissolution of Parliament and Ministerial Tenure

Articles 81 and 153 now clarify that while Parliament dissolves 90 days before elections, Members are deemed to serve until the day immediately preceding polling. Complementing this, Articles 116 and 117 require Ministers and Provincial Ministers to vacate office 90 days before elections.

These provisions address incumbency advantage and the potential misuse of state resources during campaigns. By separating governance from campaigning, the amendments promote electoral fairness and administrative neutrality.

Local Government and Electoral Boundary Reforms

Further changes refine the composition of councils, cap the representation of chiefs and confirm the direct election of mayors and council chairpersons. Qualification thresholds and asset declaration requirements enhance transparency and professionalise local leadership.

Amendments to electoral boundary provisions also introduce terminological precision, reducing interpretive disputes regarding delimitation authority.

Public Service and Institutional Governance

Adjustments to Articles 176, 178 and 179 shorten tenure for certain public service contracts and refine constitutional provisions relating to defence and security institutions. These reforms aim to strengthen institutional professionalism, depoliticisation and administrative flexibility.

Definitions and Constitutional Clarity

Article 266 introduces harmonised definitions for terms such as “adult,” “child,” “youth,” “general election” and constituency-based seats. These definitional refinements support coherent interpretation of the broader electoral reform architecture.

Closing Perspective

Taken together, the 2025 constitutional amendments represent an effort to address structural governance gaps identified over successive electoral cycles. By strengthening inclusivity, clarifying nomination and petition processes, curbing incumbency advantage and refining institutional definitions, the Act seeks to advance a more transparent, representative and rule-bound democratic framework.

As implementation unfolds, attention will turn to operationalisation - and to whether further constitutional reform may follow in response to emerging governance dynamics.



006.

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Corporate Compliance Checklist: Key Statutory Deadlines for 2026

As the year begins, businesses and organisations must align their operations with statutory and regulatory obligations. This calendar highlights key compliance deadlines to support planning, reporting and timely submission of mandatory returns and payments. Proactive compliance not only ensures adherence to the law but also safeguards organisations against penalties, interest and regulatory sanctions. The calendar below provides a consolidated overview of recurring monthly and annual obligations to support effective compliance management throughout the year.

Monthly Compliance Deadlines

Date	Compliance Obligation	Description / Requirement
10th of Each Month	NAPSA Contributions	Payment of employee social security contributions to the National Pension Scheme Authority.
	Provisional Tax Payments*	Quarterly provisional income tax payments are due in April, July, October and January.
14th of Each Month	PAYE (Pay As You Earn)	Remittance of employee tax deductions to the Zambia Revenue Authority.
	Turnover Tax	Submission of monthly returns and payment (where applicable).
	Withholding Tax (WHT)	Filing of monthly returns and remittance of withheld taxes.
	Mineral Royalty	Monthly payment based on mineral sales revenue
16th of Each Month	Withholding VAT	VAT agents to account for and remit withheld VAT.
18th of Each Month	VAT Returns	Electronic submission of VAT returns to ZRA.
	Insurance Premium Levy	Filing of monthly returns and payment of applicable levies.

**Provisional Tax is payable quarterly, with payments due on the 10th of the respective months.*

Annual Compliance Deadlines

Date	Compliance Obligation	Description / Requirement
21st June	Annual Income Tax Returns	Submission of corporate income tax returns for the preceding charge year, accompanied by audited financial statements.
	Final Tax Payment	Settlement of any outstanding income tax balance.
Annually (within 90 days of the PACRA Registered Financial Year-end Date)	Annual Returns Filing	Mandatory filing of annual returns within three months of the company's financial year-end to maintain active corporate status. Non-compliance may result in penalties, double fees or de-registration.
31st December	Base Tax	Payment of annual base tax obligation.
31st December	Licence Renewals	Renewal deadline for Excise Manufacturer licences and Bonded Warehouse licences.

Notes:

Generally, where a deadline falls on a weekend or public holiday, the due date typically shifts to the next business day following that date. For income tax purposes however, it shifts to the last business day prior to that date.

Sector-specific licences (e.g., energy, telecommunications, banking, insurance) may have additional renewal requirements not listed in this general calendar.

Businesses should monitor regulatory notices from ZRA, PACRA, NAPSA and sector regulators for any updates during the year.



007. INNS PAPER

Beyond Compliance: Six Focus Areas for Directors in the First Quarter

The start of a new financial year is more than an administrative reset. For boards, it marks a governance transition - where accountability for past performance meets responsibility for the year ahead.

Across organisations, the first quarter carries consistent oversight demands: reviewing prior year results, finalising statutory approvals in line with the Companies Act No. 10 of 2017, ensuring financial reporting compliance and preparing for Annual General Meetings. While strategy may already be set, execution - and board stewardship over it - is only just beginning.

The risk during this period is passive oversight. Directors may find themselves reviewing rather than interrogating, concurring rather than contributing. Yet governance expectations remain clear: directors are required to exercise independent judgement, diligence and active risk oversight. As the year begins, a focused first-quarter approach can set the tone for effective governance in the months that follow.

What follows are practical, insider focus points to help directors set a steady governance rhythm for the year ahead.

1. Look Beyond the Numbers: Truly Understand Last Year's Performance

The first quarter inevitably involves approving prior year results.

Financial results should be treated as diagnostic tools. Some points of reflection include: what really drove performance? Was growth sustainable or driven by one-off factors? Did profitability reflect operational efficiency or accounting adjustments? Did risks identified during the year materialise and, if so, were they managed effectively?

For large corporates, this may involve interrogating audit committee reports, risk committee findings and external audit observations.

For smaller companies, it may involve deeper review of management accounts, tax exposure, liquidity position and cash flow sustainability.

Understanding what those numbers mean will better inform future strategy, risk exposure and sustainability.

2. Reset Boardroom Culture: Contribution Matters More Than Concurrence

One of the most common governance risks is the quiet development of an "I concur" culture. While alignment is necessary for decision-making, automatic agreement is not healthy governance. Directors are appointed for specific expertise and perspective. Failing to bring that perspective into discussions can expose directors to criticism under their statutory duty to exercise independent judgement.

Silence is often interpreted as agreement. Boards that reach consensus too quickly may not be testing assumptions sufficiently. Healthy boards encourage respectful challenge, diverse viewpoints and constructive tension.

The statutory duty to exercise independent judgement under Zambia's Companies Act exists specifically to prevent groupthink and over-reliance on management or dominant voices within the board. If everyone agrees too quickly, the board should pause and ask whether enough questions have been asked.

3. Make Sure Governance Structures Are Actually Working - Not Just Existing

The first quarter is not only a time to review organisational performance; it is also an appropriate moment for individual directors to reflect on board and committee effectiveness, beginning with their own role within those structures. It provides a natural pause point to consider whether committee mandates remain clear and relevant and whether formal charters are actively guiding oversight or simply existing as governance formality.

Directors may also use this period to reflect on their personal contribution. Are their skills, experience and independence of judgement being fully applied in discussions? Is the information received from management timely, sufficiently detailed and decision-ready - and where it is not, are the right questions being asked? Effective oversight relies as much on the quality of interrogation as it does on the quality of reporting.

Consideration should also be given to committee leadership and dynamics. Do agendas enable meaningful engagement? Do discussions move beyond reporting into real oversight? Where evaluations of committee performance are undertaken, whether formally or informally, this is an appropriate time for honest self-assessment and reflection on individual effectiveness, as well as the balance between constructive challenge and strategic support offered to management.

As organisational risks, regulatory expectations and strategic priorities evolve, directors should equally reflect on whether their own governance knowledge and sector awareness are evolving alongside them. Board effectiveness is, ultimately, the sum of individual director effectiveness - structures create the framework, but engagement, preparedness and judgement are what give governance its substance.

4. Re-Test Risk Appetite Using Real Evidence - Not Last Year's Assumptions

Strategy is developed using forecasts and assumptions. By the first quarter, directors have something far more valuable - real performance evidence.

The first quarter is the right time to check this, asking whether risk appetite still aligns with financial reality. Other important reflection areas include:
Have liquidity positions shifted?
Has debt exposure changed?
Are regulatory environments evolving?
Are market conditions different from when the strategy was originally approved?

Zambian company law places responsibility on directors to prevent reckless or insolvent trading. This requires ongoing assessment of whether the company can meet its obligations as they fall due and whether strategic decisions remain financially responsible.

In simple terms, strategy is theory. Cash flow is evidence.

The strongest boards treat the first quarter as a recalibration point - ensuring strategy remains ambitious but grounded in financial and operational reality.

5. Reconnect With Your Personal Director Responsibilities - Especially in Nominee or Non-Executive Roles

The first quarter of the year is an ideal time for directors to pause and reflect. Under the Companies Act No. 10 of 2017, director accountability was significantly strengthened through the clear codification of directors' duties and the introduction of more defined consequences for non-compliance. The Act makes no distinction when it comes to responsibility. All directors - whether executive, non-executive, nominee or advisory - carry the same core statutory duties.

Directors remain responsible for the overall oversight and direction of the company, even where day-to-day operations are delegated to management. Importantly, liability does not necessarily end when a director steps down; decisions taken during a director's tenure may continue to carry consequences beyond the period of active service.

This framework should not be viewed as intimidating. Rather, it reinforces the value of informed engagement, asking the right questions and maintaining a clear understanding of the company's affairs. When directors are actively involved and properly informed, they not only strengthen the organisation but also significantly reduce both corporate and personal risk.

6. Use Advisors Wisely - But Never Replace Director Judgement

Strong governance relies on professional support. Company secretaries, auditors and legal advisors play critical roles in supporting compliance, structure and regulatory interpretation.

However, none of these professionals replace director responsibility.

Auditors provide assurance, not strategy. Lawyers provide advice, not governance direction. Management provides operational insight, not final accountability. The strongest boards use advisors to strengthen decision-making - not to replace it.

The First Quarter Sets the Tone for the Entire Year

Beyond filings and approvals, the first quarter is where board effectiveness quietly takes shape.

The questions asked, the assumptions tested and the level of engagement shown during this period often determine how confidently the organisation navigates the months ahead.

Strong governance is seldom reactive - it is established early, deliberately and together.

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