wts taxmatrix

The 2026 Investor's Guide to Zimbabwe

Foreword

Zimbabwe offers compelling opportunities across agriculture, mining, energy, manufacturing, tourism, and the digital economy. As the Government continues to promote progressive regulatory processes and enhance fiscal incentives, the county is positioning itself as a competitive investment destination in the Southern African region.

At WTS Tax Matrix, we are privileged to accompany domestic and international investors through every stage of their investment journey, from initial market entry to long term growth. Our deep understanding of the local tax, legal, and regulatory landscape enables us to provide practical, forward looking advice that helps our clients navigate complexity and unlock value.

This 2026 Zimbabwe Investor's Guide is our commitment to empowering investors with clear, current, and actionable information. It consolidates the latest legislative developments, including the tax incentive framework updated, and offers a structured overview of the key considerations for setting up and running a business in Zimbabwe. Whether you are exploring new ventures or seeking to deepen an existing presence, we trust this guide will serve as a valuable resource.

We thank you for your interest in Zimbabwe and look forward to partnering with you in your invest ment journey.

Yours Sincerely,

Marvellous Tapera
Managing Director- WTS Tax Matrix

About This Guide

This guide is designed to provide a practical introduction to the legal, regulatory, and fiscal environment for doing business in Zimbabwe. It is intended for a broad audience of potential and existing investors, including multinational corporations, small and medium sized enterprises, entrepreneurs, and their professional advisers.

The content has been prepared by the specialists at WTS Tax Matrix, drawing on our extensive experience in tax, corporate law, and investment advisory services. It reflects the legislative and regulatory position as of year 2026, with particular reference to the tax incentives consolidated in relevant Acts.

The guide covers:

- An overview of Zimbabwe's economic, political, and legal landscape.
- Step-by-step guidance on investment approval, company registration, and post incorporation compliance.
- A summary of the tax regime, including corporate and personal income tax, VAT, capital gains tax, withholding taxes, and the most current sectors specific incentives.
- Practical information on exchange controls, labour regulations, immigration requirements, and dispute resolution.
- Sectoral analyses highlighting priority investment opportunities.

Important note

The information contained in this guide is for general guidance only and does not constitute legal, tax, or professional advice. While every effort has been made to ensure accuracy at the time of publication, legislation and practice may change. Readers should seek professional advice tailored to their specific circumstances before making investment decisions.

For further information or personalised assistance, please contact WTS Tax Matrix using the details provided at the end of this guide.

Abbreviations

BEPS	BEPS Base Erosion and Profit Shifting
CGT	CGT Capital Gains Tax
CRA	CRA Capital Redemption Allowance
CUP	CUP Comparable Uncontrolled Price
DMTT	DMTT Domestic Minimum Top-Up Tax
DTA	DTA Double Tax Agreement
DSWT	DSWT Digital Services Withholding Tax
EFDs	EFDs Electronic Fiscal Devices
FDMS	FDMS Fiscal Data Management System
FDS	FDS Final Deduction System
ITA	ITA Income Tax Act
ITF1	ITF1 Income Tax Form 1
ITF12B	ITF12B Income Tax Form 12B
ITF263	ITF263 Tax Clearance Certificate
MNEs	MNEs Multinational Enterprises
OECD	OECD Organisation for Economic Co-operation and Development
PAYE	PAYE Pay As You Earn
PE	PE Permanent Establishment
PMVs	PMVs Passenger Motor Vehicles
QPDs	QPDs Quarterly Payment Dates
SI	SI Statutory Instrument
TIN	TIN Tax Identification Number
TNMM	TNMM Transactional Net Margin Method
TP	TP Transfer Pricing
USD	USD United States Dollar
VAT	VAT Value Added Tax
ZIMRA	ZIMRA Zimbabwe Revenue Authority
ZWG	ZWG Zimbabwe Gold Currency

Table of Contents

Part 1: Country Overview & Business Environment

1.1. Zimbabwe at a Glance

Geography, Climate & Key Demographics

Zimbabwe lies on a high plateau, with most of the country between 300 and 1,500 metres above sea level. The terrain includes savannah, wooded grasslands, and the Eastern Highlands mountain range, which rises to over 2,500 metres. The country is watered by major river systems, that include the Zambezi, Limpopo, and Save rivers, and has an extensive network of dams, supporting agriculture, hydro electric power, and tourism.

Political Structure & Government

The country is a constitutional democracy with an executive presidency. The government is structured into three branches: executive, legislature, and judiciary. Elections are held every five years. The political landscape has stabilised following the adoption of a new constitution in 2013 and subsequent electoral processes. The Legal system is based on Roman Dutch law, supplemented by English common law and customary law. The judiciary is independent, and the country has a long tradition of legal professionalism. The are ten provinces, each administered by a provincial council.

Economic Outlook

The economy has seen gradual growth since the adoption of the multi currency system in 2009. The government's economic blueprint prioritises infrastructure rehabilitation, private sector investment, and export competitiveness.

- **Key sectors** - Mining, agriculture, manufacturing, tourism, services.
- **GDP growth** - Projected at approximately 6.5% in 2025, driven by mining expansion, agricultural recovery, and infrastructure projects.
- **Inflation:** Largely contained in single digits (boosted by the recently introduced ZIG currency), with the central bank maintaining a disciplined monetary policy.
- **Trade:** A member of the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA), providing preferential access to markets of over 600 million people. It is also a member of the World Trade Organisation (WTO)

Currency System

Since 2009, the country operates a multi currency system. The United States Dollar (USD) is the primary medium of exchange, followed by the South African Rand (ZAR). Other currencies such as the British Pound (GBP), Euro (EUR) and Botswana Pula (BWP) are also accepted as legal tenders.

Exchange control is administered by the Reserve Bank of Zimbabwe (RBZ). Foreign investors may freely repatriate capital, dividends, and profits, subject to compliance with exchange control guidelines. There is a well-developed banking sector, comprising commercial banks, merchant banks, building societies, and a range of microfinance institutions. The banking system is regulated by the RBZ and the Banking Act.

Business Hours & Public Holidays

Business hours typically stretch from 08:00 to 17:00, Monday to Friday. Some retail and service sectors operate on weekends. Holidays are as follows:

Date	Holiday
01 January	New Year's Day
21 February	Robert Gabriel Mugabe National Youth Day
03 April	Good Friday
04 April	Holy Saturday
06 April	Easter Monday
18 April	Independence Day
01 May	Workers' Day
25 May	Africa Day
10 August	Heroes' Day
11 August	Defence Forces Day
22 December	Unity Day
25 December	Christmas Day
26 December	Boxing Day

1.2. The Political & Economic Landscape

Political Stability and Governance

Since the 2013 constitutional dispensation, there has been a period of relative political stability. The government has consistently emphasised economic recovery, private sector development, and infrastructure modernisation as central pillars of its agenda.

A new constitution adopted in 2013 introduced presidential term limits, devolution of powers to provinces, and an expanded bill of rights, providing greater legal certainty for investors. Successive administrations have maintained a consistent approach to investment promotion, with a focus on attracting foreign capital into priority sectors such as mining, agriculture, energy, and manufacturing. The government's National Development Strategy (NDS) provides a long term roadmap, emphasising infrastructure rehabilitation, value addition, export competitiveness, and the creation of a "hassle free" business environment.

Economic Growth Drivers

The economy has shown steady recovery since the adoption of a multi currency system in 2009. Growth has been underpinned by a rebound in mining, agriculture, and services, as well as by increasing investment in energy and transport infrastructure.

Key economic indicators

- **GDP growth -** Average annual growth of approximately 5 – 6% in recent years, driven by expansion in mining (gold, platinum, lithium) and a strong agricultural sector (tobacco, horticulture, grains).
- **Inflation -** Contained within single digits, supported by fiscal discipline and the anchor provided by the use of the USD as the primary transaction currency, coupled with the recently introduced, gold-backed currency, the ZIG, which has so far been the most stable post-independence local currency in the country's history.
- **Fiscal position -** Government has undertaken reforms to widen the tax base, enhance revenue collection, and rationalise expenditure, reducing the fiscal deficit and stabilising public finances.
- **External trade -** Exports have grown steadily, with mining products (gold, platinum, diamonds, nickel) and tobacco accounting for the bulk of foreign exchange earnings. The country remains a net importer of manufactured goods, machinery, and fuel, creating opportunities for import substitution/local production.

Investment Climate and Policy

Approach to foreign investment has shifted from rigid indigenisation to becoming more flexible and sector based. Key investment elements include:

- **The Zimbabwe Investment and Development Agency (ZIDA) -**The successor to the Zimbabwe Investment Authority, ZIDA serves as a "*one-stop shop*" for investment approvals. It streamlines the process for obtaining investment licences, work permits, and other regulatory clearances.
- **Indigenisation and empowerment -** The previous universal requirement of 51% local shareholding has been replaced with a sector-based approach (Finance Act (No. 2) of 2020). Certain sectors (e.g., retail, transport, primary agriculture) are reserved for domestic investors, while sectors such as mining, manufacturing, and energy allow for foreign ownership.
- **Investment protection -** Zimbabwe is a signatory to the Multilateral Investment Guarantee Agency (MIGA) Convention, the International Centre for Settlement of Investment Disputes (ICSID), and the New York Convention on the enforcement of foreign arbitral awards. In addition, the country has concluded Bilateral Investment Promotion and Protection Agreements (BIPPAs) with more than 20 countries.

Doing Business Reforms

In recent years, the country has implemented significant reforms to improve its ease of doing business ranking. These include:

- **Online company registration:** The integration of the Registrar of Companies with ZIDA allows for electronic name searches, same-day incorporation, and digital issuance of certificates.
- **Simplified tax administration:** The Zimbabwe Revenue Authority (ZIMRA) has expanded electronic filing and payment systems through the implementation of the Tax and Revenue Management System (TaRMS), a system for managing tax administration processes and improving compliance monitoring, introduced a self-assessment regime, and rationalised the frequency of returns for small and medium enterprises.
- **Construction permits and property registration:** Streamlined procedures for obtaining building approvals and registering property titles have reduced processing times.
- **Trade facilitation:** The introduction of the Zimbabwe Electronic Single Window (ZESW) has reduced clearance times at borders and lowered the cost of importing and exporting.

These reforms have contributed to a steady improvement in Zimbabwe's ranking in the World Bank's Ease of Doing Business reports, making the country increasingly competitive within the region.

Currency and Exchange Control Environment

The multi currency system remains an important contributor towards the country's economic stability. The USD is the dominant currency for transactions, pricing, and savings. The South African Rand (ZAR) also circulates widely, particularly in border areas and for regional trade. Exchange controls are administered by the RBZ in accordance with the Exchange Control Act.

Key features include:

- **Capital repatriation -** Foreign investors are permitted to repatriate 100% of capital, dividends, and post-tax profits, provided funds were introduced through formal banking channels and applicable taxes have been settled.
- **Dividend and profit remittances -** Remittances must be made within 12 months of the balance sheet date and are subject to withholding taxes, which may be reduced under applicable double taxation agreements.
- **External loans -** Authorised dealers may process external loans up to certain thresholds without prior approval; larger facilities require clearance by the External Loans Coordination Committee (ELCC).
- **Foreign currency accounts -** Residents and non-residents may open foreign currency accounts with local banks, facilitating international transactions and protecting against currency risk.

Currency of Paying Taxes

Transactions conducted in foreign currency must be settled in that same foreign currency for tax purposes, with specific exceptions including non-resident taxes on fees and royalties, shareholders' tax, and non-executive directors' fee tax. Additionally, in accordance with the Finance Act (No. 8 of 2020), any transaction lacking proof of settlement in Zimbabwean

Gold (ZWG) is legally presumed to have occurred in foreign currency.

Risks and Considerations

While the investment environment has improved considerably, investors should remain mindful of certain factors:

- **Regulatory complexity -** Despite ongoing developments, some sectors still require multiple permits and approvals. Engaging experienced local advisers is recommended.
- **Infrastructure gaps -** Although the country has a well-developed infrastructure backbone, aging rail, road, and power networks require ongoing investment. The government is actively pursuing public-private partnerships (PPPs) to address these gaps, creating opportunities for investors in infrastructure development.
- **Policy continuity -** While the current policy direction is supportive of investment, changes in government priorities or macroeconomic conditions could affect implementation. Investors are advised to maintain diversified risk strategies.

The medium term outlook is positive, supported by abundant natural resources, a skilled workforce, and a government committed to private sector led growth. The country's strategic location within the SADC and COMESA markets provides unparalleled access to regional value chains. Zimbabwe is well placed to attract increased foreign direct investment and become a hub for manufacturing, services, and innovation in Southern Africa.

Get in touch with us

Marvellous Tapera
Managing Partner
WTS Tax Matrix
+263 772 349 740
mtapera@taxmatrix.co.zw

Alfa Madamu
Business Development Manager
WTS Tax Matrix Academy
+263 778 363 600
vmadamu@taxmatrix.co.zw

Tariro Chimboza
Tax Projects Manager
WTS Tax Matrix Academy
+263 77 410 5142
Tariro.Chimboza@taxmatrix.co.zw

Takudzwa Kasekete
Assistant Manager | Assurance
WTS Tax Matrix
+263 77 335 1204
Takudzwa.Kasekete@taxmatrix.co.zw

Tatenda Tapera
Assistant Manager | Compliance
WTS Tax Matrix
+263 71 783 6033
tatenda@taxmatrix.co.zw

Tafadzwa Mhonde
Tax Director
WTS Tax Matrix
+263 774 454 016
Tafadzwa.Mhonde@taxmatrix.co.zw

Arnold Tondhlana
Technical Services Manager
WTS Tax Matrix Academy
+263 78 606 9732
Arnold.Tondhlana@taxmatrix.co.zw

Simelinkosi Mangena
Assistant Manager | Tax Faculty
WTS Tax Matrix Academy
+263 77 433 7913
Simelinkosi.Mangena@taxmatrix.co.zw

Lorean Magaramombe
Assistant Manager | Transfer Pricing
WTS Tax Matrix
+263 77 265 1417
Lorean.Magaramombe@taxmatrix.co.zw

Ayanda Ndlovu
Tax Analyst
WTS Tax Matrix Academy
+263 71 574 0893
Ayanda.Ndlovu@taxmatrix.co.zw

Part 2: The Legal & Regulatory Landscape

2.1 Legal System & Investor Protection

Overview of the Legal System

As already mentioned, the country follows a hybrid legal system, drawing primarily from Roman Dutch law, the common law foundation of the country, supplemented by English common law principles, particularly in commercial and procedural matters. Customary law also operates in parallel, governing certain personal and traditional matters, but does not generally affect commercial transactions.

The hierarchy of laws comprises:

i. The Constitution as the supreme law of the land.
ii. Acts of Parliament (statutes), including the Companies Act, the Income Tax Act, and the Zimbabwe Investment and Development Agency Act.
iii. Statutory instruments (regulations) issued by ministers under enabling legislation.
iv. Common law (judicial precedent) developed through decisions of the superior courts.

The judiciary is independent, with the constitutional court, supreme court, high court, and magistrates' courts. Commercial disputes are handled by the commercial division of the high court, established to expedite business-related litigation. Judges are appointed on the basis of legal expertise and professional integrity, and judicial decisions are respected by the executive branch.

Constitutional Protection of Property Rights

The constitution contains several safeguards meant to align with international standards and show commitment to protecting foreign and domestic investments:

- **Right to property -** Every person has the right to acquire, hold, and dispose of property, either individually or in association with others. Property may only be expropriated (compulsorily acquired) for a public purpose, with prompt and adequate compensation. The expropriation must be authorised by law, and the affected person has a right to challenge the acquisition in court.
- **Protection against arbitrary deprivation** -The State may not deprive a person of property without compensation, and any law permitting expropriation must provide for a fair and transparent procedure.
- **Economic rights -** The constitution recognises the right to choose and pursue a trade, occupation, or profession freely, subject to reasonable regulation.

International Investment Treaties and Conventions

Zimbabwe has acceded to several multilateral and bilateral instruments that offer additional layers of protection to foreign investors. The following are multilateral conventions the country is part of:

Multilateral Conventions	Purpose
Multilateral Investment Guarantee Agency (MIGA)	Provides political risk insurance (against expropriation, currency inconvertibility, war and civil disturbance) to investors in member states.
International Centre for Settlement of Investment Disputes (ICSID)	Offers a neutral forum for arbitration of investment disputes between host states and foreign investors. Zimbabwe is a signatory to the ICSID Convention, enabling investors to bring claims directly against the State.
New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards	Ensures that arbitration awards made in one contracting state are recognised and enforceable in Zimbabwe, facilitating international dispute resolution.
United Nations Commission on International Trade Law	Zimbabwe recognises UNCITRAL arbitration rules, which are commonly used in investment contracts.

Bilateral Investment Promotion and Protection Agreements (BIPPAs)

Zimbabwe has concluded BIPPAs with over 20 countries, including the United Kingdom, Germany, China, Netherlands, Switzerland, South Africa, Denmark, Sweden, Italy, India, Indonesia, Malaysia and Mozambique. BIPPAs establish dispute resolution mechanisms, usually referring investor-state disputes to international arbitration under ICSID or UNCITRAL rules.

These agreements guarantee:

- National treatment (foreign investors treated no less favourably than domestic investors).
- Most-favoured-nation treatment (investors benefit from any more favourable treatment granted to third-country investors).
- Fair and equitable treatment (including protection against arbitrary or discriminatory measures).
- Full protection and security (physical security of investments).
- Free transfer of funds (repatriation of capital, profits, and returns).
- Expropriation only with prompt, adequate, and effective compensation.

Dispute Resolution Mechanisms

Investors have access to a range of dispute resolution options, both judicial and alternative.

I. Litigation

The Commercial Division of the High Court handles commercial disputes with claims above a prescribed threshold. The court has specialised judges experienced in corporate, banking, and investment law. Procedures are designed to be efficient, with case management conferences and expedited trial dates. Appeals lie to the Supreme Court.

ii. Arbitration

Arbitration is widely used particularly for commercial contracts and investment agreements. The Arbitration Act [Chapter 7:15] is based on the UNCITRAL Model Law. Key features include:

- Party autonomy to choose arbitrators, procedural rules, and the place of arbitration.
- Recognition of both domestic and international arbitral awards.
- Limited grounds for court intervention, ensuring finality of awards.
- Enforcement of foreign awards under the New York Convention.

Intellectual Property Protection

There is a legal framework for intellectual property (IP), which is important for technology-driven and brand-sensitive investments. Key legislation includes:

- Patents Act [Chapter 26:03] – protects inventions for up to 20 years.
- Trademarks Act [Chapter 26:04] – protects registered trademarks and service marks.
- Copyright and Neighbouring Rights Act [Chapter 26:05] – protects literary, artistic, and musical works, as well as performers' rights.
- Industrial Designs Act [Chapter 26:02] – protects the aesthetic aspects of products.

Zimbabwe is a member of the World Intellectual Property Organisation (WIPO) and the African Regional Intellectual Property Organisation (ARIPO), which facilitates regional patent and trademark registration. Investors can obtain IP protection nationally through the Zimbabwe Intellectual Property Office (ZIPO) or regionally through ARIPO.

Contract Enforcement and Security Rights

The legal system supports commercial certainty through:

- **Freedom of contract** - Parties are generally free to agree on the terms of their commercial relationships, subject to public policy and statutory regulation.
- **Security interests** - The Movable Property (Security Interests) Act provides for the registration of security interests in movable assets, enhancing access to credit.
- **Insolvency** - Governs the winding-up of insolvent estates.

2.2 Key Investment Laws & Regulations

The Zimbabwe Investment and Development Agency (ZIDA) Act

The ZIDA Act consolidates the functions of the former Zimbabwe Investment Authority (ZIA), the Export Processing Zones Authority, and the Joint Ventures Unit into a single entity. Key Functions of ZIDA include Issuance of investment licences (all new foreign investments are required to obtain an investment licence from ZIDA), Facilitation of permits and approvals (ZIDA coordinates with line ministries to streamline the process for work permits, tax registration, and sector specific licences) and it also provides ongoing support to licensed investors, including assistance with expansions, regulatory compliance, and dispute resolution.

To obtain an investment licence, applicants must submit a detailed business plan, proof of finance, company registration documents, and a completed indigenisation compliance form (IDG01). The licence is valid for two years and is renewable. Holders of a valid investment licence are entitled to the incentives provided under the ZIDA Act and the Finance Act, including customs duty exemptions, VAT deferment, and other sector specific benefits.

Indigenisation and Economic Empowerment Act [Chapter 14:33]

Enacted to increase the participation of indigenous Zimbabweans in the national economy, this Act has undergone significant refinement. The original requirement of a mandatory 51% shareholding for indigenous persons has been replaced with a sector based, negotiated approach. Certain sectors are now designated for domestic investors only. In non reserved sectors, foreign investors are expected to submit an indigenisation implementation plan to the relevant ministry, detailing how indigenous participation (which may include ownership, joint ventures, skills transfer, or community development) will be achieved. All businesses with a net asset value above a prescribed threshold (currently US$500,000) must obtain an indigenisation compliance certificate.

Competition Act [Chapter 14:28]

The Competition Act establishes the Competition and Tariff Commission, tasked with promoting fair competition and protecting consumers from anti competitive practices. The Act applies to all economic activities within or having an effect within Zimbabwe, with limited exemptions for intellectual property rights and collective bargaining agreements between trade unions and employers. Prohibited Practices include:

- **Restrictive agreements** - that substantially prevent or lessen competition (e.g., price-fixing, market allocation, bid-rigging) are prohibited
- **Abuse of dominance** – conduct by a dominant firm that excludes competitors or exploits consumers (e.g., predatory pricing, exclusive dealing, refusal to supply) is unlawful.
- **Unfair business practices** – misleading advertising, false bargains, and undue refusal to deal are specifically outlawed.

Merger Control

Mergers, acquisitions, and takeovers that exceed a combined annual turnover or have an asset value above US$1.2 million must be notified to the Competition and Tariff Commission within 30 days of the conclusion of the merger agreement or the acquisition of a controlling interest. The Commission evaluates whether a merger is likely to substantially prevent or lessen competition and may approve or prohibit the transaction. Decisions of the Commission may be appealed to the Administrative Court. In its assessment, the Commission considers:

- Import competition and ease of market entry
- Level of market concentration
- Countervailing buyer power
- Technological efficiencies and pro-competitive gains
- Public interest factors (e.g., employment, local ownership, industrial development)

Exchange Control Act [Chapter 22:05] and Reserve Bank Regulations

Exchange control is administered by the Reserve Bank of Zimbabwe (RBZ) through a series of statutory instruments, directives, and guidelines. The overarching principle is the liberalisation of current account transactions while monitoring capital account movements to safeguard macroeconomic stability.

Key Provisions:

- **Foreign investment approval** – all inward foreign investments must be declared to the RBZ, which records the capital imported and ensures compliance with exchange control regulations.
- **Repatriation of capital and profits** – investors may repatriate 100% of original capital, dividends, and after-tax profits, provided funds were introduced through authorised dealers and all applicable taxes have been settled. Remittances must be made within 12 months of the balance sheet date.
- **Foreign currency accounts** – residents and non-residents may maintain foreign currency accounts (FCAs) in USD, ZAR, GBP, EUR, BWP, and other designated currencies with authorised dealers.
- **External loans** – loans from offshore sources require approval from the External Loans Coordination Committee (ELCC). Authorised dealers (mostly banks) may approve loans up to US$7.5 million, larger facilities must be submitted to the RBZ for ELCC clearance.
- **Portfolio investment** – foreign investors may acquire shares on the Zimbabwe Stock Exchange (ZSE) and Victoria Falls Stock Exchange (VFEX), subject to aggregate foreign ownership limits (up to 49% of listed counters for foreign investors' overall ownership and 15% for single investors).

Part 3: Setting Up Your Business

3.1. Investment Approval & Registration Process

The Zimbabwe Investment and Development Agency (ZIDA)

ZIDA plays a central role in improving the ease of doing business by providing a single-entry point for investors. Through its One Stop Investment Services Centre (OSISC), the Agency offers a wide range of services that were previously fragmented across multiple government departments. These services include:

- Investment advisory and analysis
- Company registration
- Tax registration and clearance
- Licensing support
- Facilitation of access to essential utilities.

In addition to facilitating new investments, ZIDA is responsible for investment promotion and aftercare services, ensuring that investors receive ongoing support throughout the lifecycle of their projects. The Agency also oversees Public-Private Partnerships (PPPs) and joint ventures, functions that were previously administered by the Ministry of Finance and Economic Development. The Agency operates with a strong governance structure and is headed by a Chief Executive Officer who reports at the highest level of government.

Step-by-Step Guide to Obtaining an Investment Licence

Obtaining an investment licence is administered by ZIDA. The process has been significantly streamlined in recent years to improve ease of doing business, particularly for foreign investors. The first step is to establish a legal business presence in the country. Investors must register a suitable business vehicle, typically a private limited company or a private business corporation. Following business registration, the investor must prepare the required documentation for the investment licence application. This includes:

- Company registration documents
- A detailed business plan outlining the proposed investment
- Identification documents for shareholders and directors
- Where applicable, feasibility studies or project plans.

The next step is to submit the investment licence application to ZIDA. Applications are now primarily processed through an online licensing portal, which allows investors to apply remotely. The applicant must complete the ZIDA 1 Form, attach the required supporting documents, and pay the applicable non-refundable application fee (currently at USD 500). Once submitted, ZIDA reviews the application to assess the viability of the project and its alignment with national investment priorities. Under normal circumstances, processing timelines are relatively short, often taking only a few days where documentation is complete.

Upon approval and payment of a USD4,000 issuance fee, ZIDA issues a general investment licence, which formally recognises the investment and grants the investor access to various protections and facilitation services. This licence serves enables the investor to proceed with project implementation. For larger or export-oriented projects, investors may also apply for designation within Special Economic Zones, which offer additional incentives such as tax reliefs and customs duty exemptions, subject to meeting prescribed criteria.

3.2. Forms of Business Entities in Zimbabwe

i. Public Limited Company

A public limited company is a separate legal entity, with the ability to offer its shares to the public and, where applicable, list on a securities exchange (ZSE, VFSX). It has perpetual succession and limited liability for its shareholders. For tax purposes, a public company is treated as a distinct taxpayer and is subject to corporate income tax on its local and foreign income if resident in Zimbabwe, or on Zimbabwe-sourced income if non-resident. The company is responsible for filing its own tax returns and paying tax at the applicable corporate rate. Dividends distributed to individual shareholders are subject to a 15% withholding tax (except when paid to companies), and shareholders are generally not taxed again on such income if it has been subjected to final withholding tax. The key feature of a public limited company is its ability to raise capital from the public while maintaining a clear separation between ownership and management.

ii. Private Limited Company

A private limited company is also incorporated under the Companies and Other Business Entities Act, but unlike a public company, it restricts the transfer of shares and does not offer shares to the public. It is the most common business vehicle in Zimbabwe due to its flexibility and limited liability protection. For tax purposes, it is treated as a separate taxable entity and is subject to corporate income tax on its taxable income. The company files its own returns and is responsible for meeting all tax obligations, including PAYE, VAT (where registered), and withholding taxes. Dividends paid to shareholders are subject to the rules mentioned above. The key feature of a private limited company is its suitability for closely held businesses with limited ownership and control.

iii. Company Limited by Guarantee

A company limited by guarantee is typically formed for non-profit purposes such as charities, professional bodies, or associations. Instead of shareholders, it has members who guarantee to contribute a nominal amount in the event of liquidation. It is a separate legal entity. For tax purposes, such entities may be subject to income tax, however, they can apply for exemption if they qualify as welfare or non-profit organisations under the Income Tax Act (ITA). Where exemption is granted, income derived from approved activities will not be taxed. It is designed for investors seeking non-profit objectives while still enjoying corporate legal personality.

iv. Co-operative Company

A co-operative company is an association of persons who voluntarily come together to meet common economic or social needs through a jointly owned and democratically controlled enterprise. Co-operatives have separate legal personality and limited liability. For tax purposes, they are generally treated as separate taxpayers and are subject to income tax, although certain concessions or exemptions may apply depending on the nature of their activities. Profits are typically distributed among members based on participation rather than shareholding.

v. Foreign Company

A foreign company refers to a company incorporated outside Zimbabwe that establishes a place of business or conducts operations within the country. Such entities must register as external companies under the Companies and Other Business Entities Act. For tax purposes, a foreign company is taxed on income derived from a source within Zimbabwe. If it has a permanent establishment in Zimbabwe, it will be subject to corporate income tax on profits attributable to that establishment. It is also required to comply with local tax obligations, including VAT and withholding taxes where applicable.

vi. Private Business Corporation (PBC)

A Private Business Corporation is a simplified business vehicle designed for small to medium enterprises and is governed by the *Private Business Corporations Act*. It has separate legal personality and limited liability, but with fewer formal compliance requirements compared to companies. Ownership is vested in members rather than shareholders. For tax purposes, a PBC is treated as a separate taxable entity and is subject to corporate income tax on its profits. It must file its own tax returns and comply with applicable tax obligations.

vi. Partnerships and Joint Ventures

For tax purposes in Zimbabwe, partnerships are not liable to income tax in their own capacity. Instead, the partnership's income is first calculated as if it were a separate taxpayer, after which the taxable income is allocated to partners according to their agreed profit-sharing ratios. Each partner is then taxed individually on their share. Partners are also required to submit a joint tax return, although liability remains with each partner.

Income is generally deemed to accrue to partners at the end of the partnership's accounting period, unless the partnership is dissolved or otherwise varied. The source of income is determined by where the business activities are conducted. Income derived from activities carried out in Zimbabwe is taxable locally, including for non-resident partners participating in Zimbabwean partnerships.

Partnerships may deduct expenses incurred in the production of income, similar to other business structures. However, special rules apply to transactions between partners and the partnership. For example, payments such as salaries, interest, rent, or subscriptions paid to partners are deductible at partnership level but taxable in the hands of the receiving partner. Conversely, private or domestic expenses (e.g., drawings) are not deductible.

3.3. Company Registration

Company registration is administered by the Registrar of Companies. Registration is a legal requirement for any business intending to operate formally and provides the entity with separate legal personality, enabling it to contract, own property, and sue or be sued in its own name.

The registration process begins with a name search and reservation, where proposed company names are submitted for approval. Once a name is approved, it is reserved for a limited period to allow completion of the incorporation process. The applicant must then prepare and submit the prescribed statutory forms and supporting documents.

Key documents required include CR6 (notice of the company's registered office), CR14 (particulars of directors and secretaries), and the company's Memorandum and Articles of Association, which outline its objectives and governance structure. In practice, CR5 (list of shareholders) may also be required depending on the nature of the entity. These documents collectively establish the company's legal identity, ownership, and management structure.

Upon submission of the required documents and payment of the prescribed fees, the Registrar reviews the application for compliance. Once satisfied, the Registrar issues a Certificate of Incorporation, which serves as conclusive evidence that the company has been duly registered and may commence business operations.

Following incorporation, companies must comply with ongoing statutory obligations. These include filing annual returns, maintaining proper statutory records, and notifying the Registrar of any changes in company particulars, such as directors or registered office. In addition, companies are required to register for tax with ZIMRA and obtain a valid tax clearance certificate. Company registration fees as provided for by SI 95 of 2023 and the Companies Online Portal are shown below:

Transaction	Fee (US$)
Name search	5
Registration of Private Business Corporation	30
Registration of Partnerships/Syndicates/ Consortium/Joint Venture/unregistered Association	30
Registration of a Private Voluntary Organisation	30
Registration of Private Company	60
Registration of a Shelf Company	60
Registration of Public Company	80
Registration of Company Limited by Guarantee	90
Registration of Cooperative Company	90
Registration of Foreign Company	1,220

3.4. Post-Registration Compliance

Tax registration

Following company registration, every business carrying out trade in Zimbabwe is required to register for tax with the ZIMRA. Tax registration is a mandatory step to ensure compliance with Zimbabwe's tax laws and to enable the business to operate formally within the economy.

The process of tax registration involves obtaining a Business Partner (BP) Number, which serves as the taxpayer's unique identification number for all tax types. During registration, the business must indicate the relevant taxes applicable to its operations. These usually include Corporate Income Tax, Pay As You Earn (PAYE) for employees, and Value Added Tax (VAT) where the entity meets the prescribed registration threshold, or elects to register voluntarily.

As part of the registration process, the business is required to submit supporting documentation, including the Certificate of Incorporation, CR6, CR14, and identification documents for directors and shareholders. ZIMRA may also require proof of business premises and banking details. Once the application is approved, the taxpayer is issued with a Tax Clearance Certificate (ITF263), which is a critical compliance document required for transacting with most formal institutions, including banks, suppliers, and government entities.

VAT registration becomes compulsory where a business's taxable supplies exceed the prescribed threshold (currently USD 25,000 per annum), after which the entity is required to charge VAT on taxable supplies and remit it to ZIMRA. PAYE registration is required where the business employs staff, obligating it to withhold and remit employees' taxes monthly.

After registration, businesses must comply with ongoing tax obligations, including the submission of periodic returns (e.g., VAT returns, PAYE returns) and annual income tax returns. They must also ensure timely payment of taxes and maintain proper accounting records to support their filings.

Business Licences and Permits

Obtaining the necessary business licences and permits from local authorities is a mandatory requirement for operating legally. Local authority licensing provides permission to operate within a specific jurisdiction. This process is governed by legislation such as the Urban Councils Act, the Rural District Councils Act, the Public Health Act, and the Shop Licences Act.

Local authority licences are issued by municipal councils, town councils, or rural district councils depending on the location of the business. These licences ensure compliance with zoning regulations, public health standards, environmental requirements, and urban planning frameworks. They also enable local authorities to collect revenue used to fund essential services such as waste management, water supply, road maintenance, and public safety. The type of licence required depends on the nature of the business. Common categories include:

- Shop licences for retail and wholesale operations
- Restaurant and catering licences for food-related businesses (which require health inspections)
- Industrial licences for manufacturing and processing activities.
- Hawker or vendor licence (Applies to informal traders or mobile sellers. Usually issued by city councils)
- Liquor License (via Local Authority Approval)
- Special Use Licenses (For niche businesses like service stations, funeral parlours, clinics & gambling houses)

The application process begins with zoning approval, confirming that the business premises are suitable for the intended activity. This is followed by health and safety inspections, particularly for food-related or industrial operations. Applicants must then submit the required documentation, including proof of premises, identification documents, and company registration details, to the town planning department. Upon approval and payment of the prescribed fees, a business licence is issued, typically valid for a period of 12 months and subject to annual renewal.

In addition to licence fees, businesses are required to pay various local authority levies, which include business operating levies, refuse collection fees, advertising fees, and development charges. These levies vary significantly depending on the location and scale of the business, with urban centres generally imposing higher fees than rural districts.

Accounting Records, Audit Requirements, and Reporting Standards

All businesses must keep accurate and complete accounting records that sufficiently explain their financial position and performance. These records include books of account, invoices, receipts, contracts, payroll records, and supporting documentation for all transactions. Records must be maintained at the company's registered office or another approved location and should be readily accessible for inspection by regulators such as the Zimbabwe Revenue Authority. Businesses are expected to retain records for at least six years for tax and compliance purposes.

With respect to financial reporting, companies are required to prepare annual financial statements in accordance with International Financial Reporting Standards (IFRS). Financial statements typically include a statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity, and accompanying notes.

Audit requirements depend on the size and nature of the entity. Larger companies, public companies, and entities of significant public interest are required to have their financial statements audited by a registered public auditor. Where an audit is required, the auditor must express an opinion on whether the financial statements present a true and fair view in accordance with the applicable reporting framework.

Get in touch with us

Marvellous Tapera
Managing Partner
WTS Tax Matrix
+263 772 349 740
mtapera@taxmatrix.co.zw

Alfa Madamu
Business Development Manager
WTS Tax Matrix Academy
+263 778 363 600
vmadamu@taxmatrix.co.zw

Tariro Chimboza
Tax Projects Manager
WTS Tax Matrix Academy
+263 77 410 5142
Tariro.Chimboza@taxmatrix.co.zw

Takudzwa Kasekete
Assistant Manager | Assurance
WTS Tax Matrix
+263 77 335 1204
Takudzwa.Kasekete@taxmatrix.co.zw

Tatenda Tapera
Assistant Manager | Compliance
WTS Tax Matrix
+263 71 783 6033
tatenda@taxmatrix.co.zw

Tafadzwa Mhonde
Tax Director
WTS Tax Matrix
+263 774 454 016
Tafadzwa.Mhonde@taxmatrix.co.zw

Arnold Tondhlana
Technical Services Manager
WTS Tax Matrix Academy
+263 78 606 9732
Arnold.Tondhlana@taxmatrix.co.zw

Simelinkosi Mangena
Assistant Manager | Tax Faculty
WTS Tax Matrix Academy
+263 77 433 7913
Simelinkosi.Mangena@taxmatrix.co.zw

Lorean Magaramombe
Assistant Manager | Transfer Pricing
WTS Tax Matrix
+263 77 265 1417
Lorean.Magaramombe@taxmatrix.co.zw

Ayanda Ndlovu
Tax Analyst
WTS Tax Matrix Academy
+263 71 574 0893
Ayanda.Ndlovu@taxmatrix.co.zw

Part 4: Tax System & Incentives

4.1. Corporate Income Tax

For the 2026 tax year, the standard corporate income tax rate remains at 25% on taxable profits. An additional 3% AIDS Levy is charged on the tax payable, bringing the effective rate to 25.75% for most companies. Resident companies and individuals are taxed on all income derived from a source within Zimbabwe, as well as certain categories of foreign source income (such as foreign dividends and interest).

Non resident companies and individuals are taxed only on income that has a source in Zimbabwe. This includes business profits attributable to a permanent establishment (PE) in Zimbabwe, employment income for services rendered in Zimbabwe, and passive income such as dividends, interest, royalties, and fees paid from Zimbabwean sources. Foreign source income such as rental income from property located outside Zimbabwe or business profits from operations conducted entirely outside Zimbabwe is generally not subject to income tax.

Profits of Permanent Establishment (PE)

Under the Income Tax Act, a foreign company establishes a Permanent Establishment (PE) in the country under three primary scenarios:

- A fixed place PE (e.g., office, branch, factory, or construction site).
- A service PE (providing services, including consultancy, through employees in Zimbabwe for more than 90 days within a 12-month period).
- A Dependent Agent PE - arises where a person acting in Zimbabwe habitually concludes contracts on behalf of a foreign enterprise. The contracts should be in the name of the company, or for the transfer of the ownership of, or for the granting of the right to use, property owned by that company or that the company has the right to use, or for the provision of services by that company).

Once a PE exists, the Zimbabwean branch is treated as a standalone independent enterprise. However, Zimbabwe's domestic law broadly taxes "all taxable income, wherever arising, that is attributable" to the local PE, giving ZIMRA wide discretion to challenge offshore allocations. The applicable attribution method depends on any DTA in force: under an OECD-based treaty, ZIMRA is restricted from using the "force of attraction" rule (head office sales without PE involvement are not taxable); under a UN-based treaty, the force of attraction rule applies, allowing Zimbabwe to tax direct head office sales of the same products.

Domestic Minimum Top-Up Tax (DMTT)

Foreign entities or their subsidiaries are subject to DMTT under the following conditions to ensure that large multinational groups (MNEs) operating in the country pay an effective corporate tax rate of at least 15% on their Zimbabwean profits:

- If their home country has no corporate tax or a rate below 15%.
- If they benefit from a double taxation treaty exempting them from Zimbabwe tax or reducing it below 15%.
- If the tax law of entity's country of residences taxes the taxable income earned in Zimbabwe as if it were earned in that country.

The Tax applies to MNE groups with consolidated global revenue of €750 million or more in at least two of the preceding four fiscal years, where the group has entities or permanent establishments in Zimbabwe. The DMTT applies even if the group makes a loss or has negative adjusted covered taxes; negative taxes can be carried forward to reduce future DMTT liabilities, and if an entity is sold, the negative carry-forward remains with the selling group.

Income Taxation of Digital and E-commerce Services

The tax applies to any person providing satellite broadcasting services or operating as an electronic commerce operator who provides such services to residents in Zimbabwe. The tax is levied at a flat rate of 5% on gross revenues, which are deemed to be from a source within Zimbabwe for income tax purposes and therefore taxable in Zimbabwe.

Worth noting is that Permanent Establishment provisions do not apply to this tax, meaning a foreign company can be subject to DST without having a physical presence in the country. The tax is payable quarterly on specific due dates, 25 March, 25 June, 25 September, and 20 December. Affected operators must appoint a representative taxpayer in Zimbabwe within 30 days of becoming liable, and the provision expressly does not apply to a foreign company with a permanent establishment in the country.

Fiscal Tax Invoices and Income Tax Deduction

To claim a deduction, expenditure must be incurred for trade or production purposes and must not be of a capital nature. Additionally, all invoices obtained from VAT-registered suppliers must be fiscal tax invoices. A fiscal tax invoice is an invoice printed from an approved electronic device, system, or software that is compatible with the Fiscal Data Management System (FDMS) and is used to record business transactions and transmit data to the tax authority. A fiscal tax invoice must prominently display:

- the words "Fiscal Tax Invoice"
- the date of issue
- the supplier's name, address, and registration number
- the buyer's name, address, and VAT registration number
- an individual serialised number
- a description and quantity or volume of goods or services
- a statement indicating VAT inclusion
- an electronic signature
- a tax identification number (TIN), and a QR code or authentication code.

Income Tax Payments and Currency of Payment

Businesses are required to remit income tax in four quarterly instalments called Quarterly Payment Dates (QPDs), due on 25 March, 25 June, 25 September, and 20 December, based on estimated annual tax liability. Each payment must be supported by detailed tax computations and submitted with a completed ITF12B form, separate forms are required for foreign currency and local currency transactions.

From 1 July 2024, if at least 50% of a company's income is in foreign currency, the tax liability on that foreign currency income must be settled 50% in foreign currency and 50% in local currency. The local currency portion should be converted from USD to ZWG at the official exchange rate on the payment date (if above 50% of the income was foreign currency.

Interest on unpaid or overpaid tax, late payments or errors exceeding a 10% margin, is set at the Bank Policy Rate plus 5% for local currency and 10% for foreign currency; refunds delayed beyond 60 days (unless due to taxpayer error) also accrue interest. All payments must be made in the currency of trade, and each quarterly computation is assessed separately.

Transfer Pricing

Transfer Pricing legislation is designed to ensure that transactions between related parties are conducted on an arm's length basis, preventing profit shifting and protecting the tax base. *The legislation applies to both domestic and foreign transactions between associated persons, and to transactions with entities in tax haven countries.*

All related-party transactions must reflect arm's length pricing, meaning prices and conditions should mirror those between independent parties in similar circumstances, any deviation may be adjusted by ZIMRA to reflect market-based pricing. Taxpayers must ensure commercial justification and proper documentation. ZIMRA has powers to adjust taxable income, reallocate profits between related parties and impose additional tax where income has been understated. Zimbabwe uses the following approved transfer pricing methods:

- Comparable Uncontrolled Price (CUP)
- Resale Price Method
- Cost Plus Method
- Transactional Net Margin Method (TNMM)
- Profit Split Method
- Quoted Price Method (primarily for mineral exports)

Year of Assessment

A year of assessment refers to a 12-month period beginning on 1 January and ending on 31 December. A taxpayer may apply to the Commissioner for approval to use a different financial year-end, usually for valid commercial reasons such as alignment with a holding company's reporting period. If approved, this becomes known as a substituted year of assessment, but it is subject to the Commissioner's discretion and may be withdrawn through written notice, with the withdrawal taking effect at the end of that substituted year.

Trade and investment income tax rates

Taxpayer	2026
Self-employed, sole trader or partners	25,75%
Companies and trusts	25,75%
Company or trust derived from mining operations	25,75%
Licensed investor in Special Economic Zone (SEZ): First five years of the arrangement licensed investor after the 5th year of operations	 0% 25%
An approved BOOT or BOT arrangement: First five years of the arrangement Second five years of the arrangement Thereafter	 0% 15% 25%
Industrial Park developer: First five years of the arrangement Second five years of the arrangement	 0% 25%
Taxable income of operator of a tourist facility in approved tourist development zone (before the fifth year of his or her operation as such)	0%
An operator of a tourist facility in approved tourist development zone: First five years of the arrangement Second five years of the arrangement	 0% 25%
Export manufacturing company which exports: Export level (%) 30-40 of its output Export level (%) 41-50 of its output Export level (%) above 51	 20% 17.5% 15%
Power Generating Projects: First 5 years After 5 years	 0% 15%
Qualifying BKPO: Corporate tax Foreign specialists	 15% 15%

The 3% AIDS levy is still applicable on the income tax chargeable after-tax credits. The normal rate inclusive is 25,75%

Tax Incentives

Beyond the already outlined incentives, Zimbabwe also offers a range of targeted incentives designed to attract investment, promote exports, and stimulate growth in priority economic sectors.

I. Export Market Development Expenditure Deduction

To encourage companies to expand into international markets, the country allows a double deduction for qualifying export market development expenditure. A taxpayer who incurs expenditure for the purpose of developing export markets is entitled to deduct an amount equal to 200% of such expenditure in determining taxable income. Qualifying expenditure includes costs related to:

- Participation in international trade fairs, exhibitions, and missions.
- Market research and feasibility studies conducted outside Zimbabwe.
- Advertising and promotional campaigns targeting foreign markets.
- Travel and accommodation costs for export promotion activities, subject to limits.
- Registration of intellectual property rights in foreign jurisdictions; and
- Costs associated with obtaining product certification or quality standards required for export.

The incentive is administered by ZIMRA, and taxpayers are required to maintain detailed records substantiating the expenditure claimed.

II. Donations

Donations are disallowed unless they are bona fide incurred for business purposes or directly connected to the production of income. Clear gratuitous donations, such as those made to political parties, churches, or social clubs, are disallowed. However, the following donations to public benefit organisations are specifically allowed as deductions:

- Medical purposes: Capped at US$100,000
- Educational purposes: Capped at US$100,000
- Research institutions: Capped at US$100,000
- Public Private Partnership Fund: Amounts paid to a Public Private Partnership Fund (Capped at US$50,000)
- National Scholarship Fund: Payments made (without consideration) to the National Scholarship Fund
- National Bursary Fund: Payments made (without consideration) to the National Bursary Fund
- Charitable trusts (social welfare or health)
- Destitute Homeless Persons Rehabilitation Fund: Capped at US$50,000
- Other qualifying donations: Donations to Mayor's Cheer Fund, charitable trusts, nurses' homes for the elderly.

III. Sponsorship of Rural Sports and Youth Development Programmes

A tax credit of US$10,000 is available for corporates that finance registered rural sports academies or youth programmes, provided the programmes are registered under the Sports and Recreation Commission (SRC) and the expenditure is verifiable. Such programmes must provide regular coaching, training, mentorship, and access to competitions, while also promoting education, life skills, health awareness, discipline, teamwork, and leadership. If a company qualifies for this tax credit but makes a loss in that year, the credit is added to the loss and carried forward to the next year. Excess credits can also be carried forward to subsequent years.

IV. Anchor Farmers

There is a tax incentive available to companies operating as anchor farmers. An anchor company is defined as a company that provides inputs, agronomic advice, and marketing opportunities to a group of out grower farmers.
The anchor company can deduct the amount of any expenditure related to technical and support services incurred to an out-grower farmer, together with an additional amount equal to 50% of such expenditure.

V. Business and Knowledge Process Outsourcing (BKPO)

Deduction is granted of 100% of capital expenditure proven to have been incurred by BKPO in the first year of its operation.

VI. Assessed Loss

Taxpayers are entitled to carried forward assessed losses for a max period of 6 years which will be off set against profits on First In First Out (FIFO) basis except for mining companies who may carry forward assessed losses for an indefinite period.

VII. Special Mining Lease holders

These benefit from a reduced rate of 15% corporate tax (plus AIDS levy), recognising the capital-intensive nature of large-scale mining operations. Additional fiscal measures for gold miners include revised royalty rates based on the prevailing gold price per ounce.

VIII. Capital allowances

To qualify for capital allowances, assets must be used in trade and held by the entity on the last day of the tax year, supported by detailed documentation. Taxpayers can claim allowances under either a Special Initial Allowance (SIA) or Wear and Tear. Wear & tear is based on the income tax value for movable assets and the cost, for immovable asset and the rates are lower compared to those of SIA. Mining companies are entitled to claim 100% of qualifying capital expenditure through the Capital Redemption Allowance (CRA), with flexibility in how the deduction is taken.

4.2. Employment Tax

Zimbabwe employs a progressive personal income tax system. Employers are responsible for deducting tax from employees' salaries and remitting it to ZIMRA by the 10th day of the following month. The tax year for individuals is also the calendar year, 1 January to 31 December. The annual tax free threshold for 2026 is the first US$1,200 of annual taxable income (equivalent to US$100 per month).

Fringe Benefits Valuation and Inclusion in Gross Employment Income

Fringe benefits are benefits accruing to an employee over and above their salary. To be taxable, the benefit must be granted in respect of employment, and it does not matter if the benefit is received by a spouse or child. The valuation of fringe benefits (for inclusion in gross income) for the occupation or use of quarters, a residence, or furniture is considered to be its value to the employee. Vehicles and staff loans are valued using statutory rates and for all other advantages or benefits, the value is determined by reference to the cost to the employer, the amount of expense incurred by the employer in providing the benefit. Valuation for the benefits are as follows:

i. Airtime and data

Benefits with regards to airtime and data include 30% of the cost of the provision by the employer to the employee for use at the employee's home or outside of the work premises.

ii. Right of use of motor vehicle

When an employee is granted the right to use an employer's motor vehicle for private or domestic purposes, a taxable benefit arises. The value of this benefit is determined solely by the engine capacity of the vehicle, and it is an all-inclusive benefit.

iii. Employee loans

If an employer grants a loan to an employee, their spouse, or child at an interest rate below a statutory benchmark, the benefit is calculated as the difference between the interest calculated at the statutory rate and the interest actually paid by the employee. The rates are fixed at SOFR + 5% for USD loans and 15% for ZWG. Small loans of USD 100 or below, loans for education, technical training and medical related loans are tax-free. If a loan has no fixed repayment date or is written off, the entire outstanding amount is deemed to be remuneration and is fully taxable.

Exemptions

A key exemption is for bonuses, where the first USD 700) of the aggregate bonus in a tax year is exempt from tax. Retrenchment packages are also partially exempt, with the exempt portion being greater of US$3,200 (or local currency equivalent) or one-third of the total package, capped at a maximum exemption of one third of US$15,100. Medical contributions and expenses incurred by an employer on behalf of an employee, their spouse, or child are fully exempt benefits. Other exemptions include the first passage benefit for taking up or termination of employment, which is non-taxable. A benefit from the sale of a motor vehicle by an employer to an employee who is 55 years or older is also exempt. The salary of employees of foreign governments or agencies are exempt if provided for in an agreement between the government and another approved government or international organization.

Deductions

For employees, allowable deductions include ordinary pension contributions to a new pension or Consolidated Revenue Fund, which are deductible up to the lesser of 7.5% of the employee's annual emoluments or USD 5,400. Arrear pension contributions are deductible up to a maximum of USD1,800 pa. Subscriptions paid for continued membership of a registered professional or technical body are fully deductible. Approved donations to funds, such as those for social welfare, medical equipment, or education, are deductible subject to certain limits.

Special Tax Rates for Expatriates and Non-Residents

A notable special rate applies to foreign employees holding temporary employment permits to work in licensed SEZs. Such employees pay income tax at a reduced rate of 15% of their taxable income.

Services Rendered Outside Zimbabwe

Income from services rendered outside Zimbabwe are deemed to be from a source within Zimbabwe if those services are rendered in pursuance of a trade carried on in Zimbabwe. This applies regardless of the duration spent outside. The key requirement is a nexus between the trade in Zimbabwe and the overseas duties; the overseas duties must be incidental to the duties or trade carried on in Zimbabwe. Residents of Zimbabwe who render services outside during a period of temporary absence whose aggregate period(s) of absence does not exceed 183 days in a year of assessment will be deemed to provide those services from Zimbabwe.

Exemption Applicable Where a Tax Treaty Exists

An expatriate or non-resident employee can be exempted from tax in Zimbabwe, or taxed at a lower rate, if a DTA exists between their country of residence and Zimbabwe. The specific exemption applies if:

- The employee remains a treaty resident in their home country.
- The employee renders services in Zimbabwe for a period of less than 183 days in a year of assessment.
- The remuneration is not paid by, or on behalf of, an employer who is a resident of Zimbabwe.
- The remuneration is not borne by a PE that the non-resident employer has in Zimbabwe.

Final Deduction System (FDS)

Under the FDS, the tax that the employer deducts from an employee's remuneration is deemed final, and no further assessment is required thereafter. This system is designed so that employees whose income consists solely of employment income from one employer throughout the year are not required to submit a tax return (ITF 1) to ZIMRA for assessment.

The employer is responsible for computing the employees' tax on a progressive basis throughout the year. The employer considers the employee's tax credits, any additional income declared by the employee, and other allowable deductions. If a refund is due to the employee, the employer makes the refund. By the last month of the tax year, the calculation of PAYE should reference the total taxable income for the entire year, with the final month's PAYE being the residual amount. Employees are required to furnish their employer with details of their entitlements, such as other income and tax credits, within seven days of being employed or of any change in their circumstances. Persons with more than one employer or who have not worked for the entire year must still submit their own tax returns to ZIMRA for assessment.

AIDS Levy on Personal Income Tax

An AIDS Levy of 3% is added to the calculated PAYE amount (after applying tax credits). This levy applies to both USD and ZIG tax calculations and is deducted from the employee's salary alongside the PAYE liability.

Employment Tax Credits (2026)

The following tax credits reduce the final PAYE liability before the AIDS Levy is applied:

Tax credits	USD
Credit for taxpayers aged above 55 years	900 p.a.
Blind Person's credit	900 p.a.
Mentally or physically disabled person credit	900 p.a.
Medical aid contributions	USD1 of every USD2 incurred

Unused portions of credits for blind or disabled persons may be claimed by the spouse. Non residents are not entitled to disability or medical expense credits. A person is considered "disabled" if permanently and substantially disabled.

4.3. Value Added Tax

Registration, Rates, and Fiscalisation

VAT is an indirect tax on consumption, charged on the supply of taxable goods and services and on the importation of goods and services. The principal legislation is the VAT Act. The general rate of VAT is 15.5%.

Only persons making taxable supplies above the compulsory registration threshold of US$25,000 p.a in taxable turnover can register. Persons with taxable turnover below this may apply for voluntary registration, subject to the approval by ZIMRA. The Commissioner may backdate registration to the date on which the threshold was met, and the operator becomes liable for VAT due from that date, together with penalties of up to 100% of the unpaid tax and interest at 10% per annum.

Registration of Special Mining Lease Holders

Any person holding a special mining lease is deemed to qualify for registration regardless of turnover. If such a lessee commenced development for mining purposes on or after 1st January 2020, they are deemed registered with effect from 1st January 2020.

Accounting for VAT in multicurrency

VAT must be remitted in the exact currency in which the proceeds of taxable supplies are received, with input tax claims offset strictly against the output tax liability of that matching currency. For transactions conducted in foreign currencies other than the USD, such amounts must be converted to USD using prevailing international cross rates to calculate and pay the final VAT obligation in USD.

VAT on Imported Services

Any person who receives services from a supplier residing outside Zimbabwe is liable to pay VAT directly to ZIMRA, as if they were the supplier, provided such services are used or consumed by a resident in Zimbabwe. The value is the consideration paid, or the open market value (whichever is greater). The time of supply is the earliest of the date of payment, the date of invoice, or the date the service is performed. If a registered operator imports services specifically to make taxable supplies, they can claim the VAT paid on that importation as input tax, provided they hold the invoice and proof of payment. Effective 1 January 2026, VAT on imported services is declared and remitted to ZIMRA in foreign currency.

Allowable and Prohibited Claims

A registered operator may deduct input tax incurred for the purpose of making taxable supplies. However, there are prohibitions on the type of good/services VAT claims can be made.

Prohibited Claims:

- **Passenger Motor Vehicles (PMVs)** - On acquisition or hire of sedans, SUVs, and double cabs (unless used specifically as a taxi, commuter bus, or by a motor dealer for resale).
- **Entertainment** - VAT on staff refreshments, canteen services, client lunches, or Christmas parties is disallowed, unless the taxpayer is in the business of providing entertainment (e.g., a safari lodge).
- **Exempt Supplies** – VAT incurred on inputs for producing exempt supplies.
- **Club Subscriptions** - Any fees for social, sporting, or recreational club memberships.
- **Export tax on un-beneficiated item -** Export tax in respect of unbeneficiated products namely hides, platinum, lithium, raw diamonds, medicinal products, lithium, uncut and cut dimensional stone.
- **Payments in excess official rate -** Input tax incurred on acquisition of goods or services in ZWG on an amount which is more than the official exchange rate between USD and ZWG is disallowed.

Time and Value of Supply Rules

i. Time of Supply:

This determines the tax period in which VAT must be declared. The general rule is that time of supply is on the earliest of the date an invoice is issued, or the date any payment is received, including time of removal of moveable goods, possession of immovable goods, and service performance. For specific items listed below, the time of supply is:

- **Connected persons** - Time of supply occurs when goods are removed or made available to the recipient, or when services are performed.
- **Transfers to branches outside Zimbabwe** - The time of supply is when the goods are delivered or services are performed. This applies even though the transaction is within the same legal entity.
- **Rental agreements** - Time of supply occurs progressively as each rental period arises. It is triggered when payment becomes due or is received, whichever comes first.
- **Fixed property (registration or payment)** - Time of supply is when transfer is registered in the deeds registry or when payment is made. Any subsequent payments are taxed when they are paid.
- **Fixed property (no registration or payment)** - Time of supply is the date the agreement of sale is signed. This applies where neither transfer nor payment has yet occurred.
- **Consideration cannot be determined** - Time of supply is the earliest of when payment is due, received, or an invoice is issued. This rule applies where the value of the supply is not immediately known.
- **Deregistration** - Time of supply is deemed to be the day before deregistration. VAT is triggered on assets as if they were supplied at that point.
- **Importations by agent for a foreign principal** - Time of supply occurs when the agent pays the import VAT. The agent is deemed to both import and supply the goods at that point.
- **Time of supply when VAT rate changes** - For goods, the applicable VAT rate is determined by the date of delivery or when possession passes. For services and continuous supplies, the old rate applies to the portion performed before the change, and the new rate applies thereafter.

ii. Value of Supply:

The general rule is that the value is the consideration (price paid) excluding VAT. If the price is not separated, VAT is calculated using the tax fraction (15.5/115.5). For:

- **Connected Persons** - If a connected parties transact for less than market value, the Commissioner can adjust the value to the open market value to prevent tax leakage. An exception applies when a recipient is entitled to claim input tax in which case adjustment to open market value is not necessary
- **Deregistration** – Upon deregistration, the value of assets deemed supplied is the lesser of cost (VAT inclusive) or open market value.

Zero-Rated Items

Zero-rated supplies are taxable (allowing input tax claims) at 0%. Zero-rated supplies include:

- **Exports**- The direct export of movable goods to an export country is zero-rated.
- **Transportation** - International transportation of goods and passengers is zero-rated.
- **Services to Non-Residents** - Technical services rendered to a non-resident who is outside Zimbabwe when the service is provided, and the benefit is consumed outside Zimbabwe.

Exempt Items

Exempt supplies mean no VAT is charged, and the supplier cannot claim input tax on costs related to that supply. Exempt supplies in Zimbabwe include:

- **Residential Accommodation** - Letting of a dwelling for residential purposes.
- **Financial Services** - Interest on loans, bank charges, and insurance premiums.
- **Domestic Transport** - Transport of fare-paying passengers (e.g., staff buses).
- **Specific Goods** - Certain goods such as agricultural equipment, goods supplied by medical statutory bodies, and domestic electricity are VAT exempt.

VAT on Exported Un-beneficiated Products

The government recently banned the export of Lithium pending discussions, however VAT on the export of lithium ore and concentrates is levied at 10%, while the rate is 0% for exports of highly beneficiated lithium sulphate. Other unbeneficiated products on which the export tax is levied include, unbeneficiated hides, unbeneficiated platinum and uncut and cut dimensional stone

Fiscalisation

Fiscalisation is the mandatory use of approved electronic fiscal devices (EFDs) to record, store, and transmit transaction data to ZIMRA in real time. VAT registered operators are required to fiscalise. A fiscal tax invoice (as outlined in part 4.1 of this document) is required to enable the input tax claim.

VAT Deferment

The VAT Deferment Facility allows eligible operators to defer payment of VAT on imported capital equipment, providing significant cash flow relief. Sectors like mining, manufacturing, medical, and agriculture can defer VAT on plant and machinery importation, supported by Minister of Finance and line ministry letters. Deferment period is max 180 days, with a minimum capital goods value of US$1,000,000. Selling or re-exporting before deferment period results in a debt due to the State, with State claims having priority.

Digital Services Withholding Tax

Effective 1 January 2026, Zimbabwe introduced a new withholding tax mechanism for digital services provided by non residents. The tax is summarised in the table below:

Heading	Details
Nature of tax	• Collected through a withholding mechanism on payments for electronic (digital) services supplied by non-resident suppliers and consumed by residents of Zimbabwe.
Responsibility	• Intermediaries processing payments to foreign suppliers, including banks, mobile money operators, money transfer services, and other financial institutions.
Rates	• 15.5% of the gross payment where the non-resident supplier is not registered for VAT in Zimbabwe. • Tax fraction of 3/23 where the non-resident supplier is registered for VAT in Zimbabwe.
Time of deduction	• Tax is withheld at the time of processing payment to the foreign supplier.
Deducting and remittance	• Intermediary deducts DSWT when processing the foreign payment. • Tax withheld must be remitted to ZIMRA by the 15th of the following month for intermediaries, and by the 15th of the same month for non-resident suppliers
Services subject to tax	• Applies where services are supplied electronically, the supplier is a non-resident and the services are consumed in Zimbabwe, these include steaming services, online advertising, digital subscriptions etc.
Exclusions from tax	• Physical goods (VAT assessed at importation). • Services rendered physically. • Services consumed outside Zimbabwe. • Payments to local suppliers of electronic services.
Payments made outside Zimbabwe	• If electronic services are consumed locally, but payment is made outside, the non-resident supplier remains responsible for VAT if registered.

4.4. Capital Gains Tax (CGT) on Immovable Property and Securities

CGT is a levy on the profit (gain) realised from the sale or disposal of a specified asset. Specified assets are defined as including marketable securities, immovable property, and registrable rights or interests in property, including intangible assets such as intellectual property rights, patents, trademarks, mining rights, concessions, licences, and any other rights or titles that are required to be registered.

The CGT rates are as follows:

Date of acquisition of specified asset	Date of acquisition of specified asset
Acquired before 22 Feb 2019 and sold thereafter (other than listed marketable security)	5% of capital amount (proceeds less exemptions)
Acquired after 22 Feb 2019 and sold thereafter (other than listed marketable security).	20% of capital gain (proceeds less exemptions less deductions)
Listed marketable securities	1% final withholding tax calculated on the gross proceeds and deducted by the stockbroker on payment

Capital Gains Tax in Multicurrency

CGT must be declared and remitted in the specific currency in which the sale proceeds are received. If the transaction documentation fails to state the currency of proceeds, the specified asset is legally presumed to have been sold in foreign currency.

Deemed disposals

Certain disposals are deemed to trigger CGT. Such deemed disposals include gratuitous disposals (disposals for a consideration not measurable in money and disposals between connected persons other than at an arm's length price), expropriation of asset, sale of asset by way of a court order, redemption or maturity of asset, deed of sale and cessions. The following are deemed to be disposals for CGT purposes:

- **Disposal otherwise than by way of sale -** Where a specified asset is disposed of other than through a sale, it is deemed to have been sold at its fair market value as determined by the Commissioner.
- **Expropriation of specified asset** - An expropriated asset is deemed to be disposed of at the amount of compensation received.
- **Sale in execution of court order** - A specified asset sold under a court order is deemed to be disposed of at the amount realised from the sale.
- **Redemption or maturity of specified asset** - The redemption or maturity of instruments such as preference shares is treated as a deemed disposal. The amount received on redemption or maturity is used to calculate the capital gain.
- **Deed of sale (transfer of rights) -** Where rights under a deed of sale are transferred, the transferor is deemed to have disposed of the asset. The deemed consideration is the full amount received or accrued from that transfer.
- **Cessions** - The cession of rights in a stand is deemed to be a disposal of the underlying property. The amount received or accrued from the cession is treated as the gross capital amount.
- **Relinquishing of rights in condominium property** - Relinquishing rights in a condominium is treated as a deemed disposal by the member. The amount received or accrued from relinquishment is subject to capital gains tax.

Exemptions

- **Principal private residence** - The sale of a principal private residence by a person aged 55 or above is exempt from capital gains tax.
- **Public entities and non-profit organisations** - Specified assets disposed of by qualifying public entities and non-profit organisations are exempt from capital gains tax. However, the exemption excludes entities engaged in commercial, mining, or agricultural activities for profit.

- **Listed marketable securities** - Disposals of listed marketable securities are exempt from capital gains tax. Instead, they are subject to a final withholding tax.
- **Employee share trusts** - The sale or disposal of shares by an employee to an approved employee share ownership trust is exempt. This encourages employee participation in ownership structures.
- **Deceased estates** - The realisation or distribution of specified assets by an executor of a deceased estate is exempt. No capital gains tax arises on such transfers.
- **Licensed investors and industrial park developers** - Sales of specified assets by licensed investors or industrial park developers are exempt. This is intended to promote investment and economic development.
- **Government-related securities** - The disposal of marketable securities relating to loans to the State or wholly State-owned entities is exempt. This applies to securities linked to government or quasi-government bodies.
- **Petroleum operators** - The sale of immovable property between petroleum operators is exempt if the property continues to be used for petroleum operations. The exemption is conditional on continuity of use.
- **Insurance company demutualisation** - Shares withheld by an insurance company to pay a demutualisation levy are exempt upon disposal. This prevents tax consequences arising from restructuring.
- **Indigenisation transactions** - The excess of fair market value over the actual price in shares sold to indigenisation partners or community trusts is exempt. This relief supports empowerment initiatives.
- **Donations of housing units** - The donation of immovable property (housing units) to local authorities or approved trusts is exempt. This encourages provision of housing for communities and employees.
- **Sovereign Wealth Fund transactions** - Disposals of shares or securities to the Sovereign Wealth Fund of Zimbabwe are exempt. This supports capital mobilisation into national investment vehicles.
- **Victoria Falls Stock Exchange (VFSE)** - Disposals of shares listed on the Victoria Falls Stock Exchange are exempt from capital gains tax. This promotes activity on the VFSE.

Costs deductible in determining capital gain

- **Original Cost** - Expenditure actually incurred in acquiring or constructing the specified asset, including all costs directly related to the acquisition such as transfer costs, relocation costs, valuation costs, stamp duty, transfer duty, conveyancing fees, and advertising costs to find a seller. For an asset acquired other than by purchase (e.g., by inheritance), the deductible amount is the estate value for duty purposes.
- **Improvements** - Expenditure incurred to enhance the value of the specified asset, such as the cost of alterations, additions, or improvements. Costs which are deductible for income tax purposes (e.g. repairs), are excluded.
- **Inflation Allowance** - For disposals where the proceeds are in foreign currency, the allowance is a flat rate of 2.5% p.a of the original cost and the cost of improvements. For disposals in ZWG, the allowance is based on the Consumer Price Index (CPI), calculated as the percentage change between the CPI on the date of disposal and the date of acquisition.
- **Incidental Cost of Disposal** - Costs directly incurred in connection with the sale, such as legal costs, advertising costs, selling expenses, estate agency fees or commission, brokerage fees, and valuation costs.
- **Bad Debts** - A debt arising from the sale of a specified asset that is proven to be irrecoverable is deductible, provided the amount was included in the taxpayer's capital amount for the current or a previous year.
- **Legal Expenses for Appeals** - Expenditure incurred for successful capital gains tax appeal cases in the High Court, Special Court, or Supreme Court is deductible.
- **Lease Improvements** - A lessor who has been taxed on the value of lease improvements effected by a lessee is deemed to have incurred that expenditure and may deduct it when computing CGT upon the eventual sale of the immovable property.
- **A capital loss** - arises when deductions exceed the gross capital amount, can be carried forward indefinitely and deducted from future capital gains, although a loss of USD100 or less is written off. These deductions are ring-fenced to CGT and cannot be set off against other tax heads like income tax.

Capital Gains Reliefs

- **Related Companies** - A transfer of a specified asset between companies under the same control will not trigger CGT if an election is made. The asset is deemed to be transferred at its base cost, regardless of the actual price paid. The tax will only become payable when the transferee company sells the asset to an unrelated party.
- **Conversion of a Foreign Company** - When a non-resident company carrying on its business in Zimbabwe is wound up to transfer its business and property to a newly incorporated Zimbabwean company, an election can be made to transfer specified assets at their base cost. The gain is deferred until the successor company sells the asset to a third party. A condition of this relief is that no new shareholders are introduced.
- **Transfer to a Company Controlled by an Individual** - An individual who transfers an immovable asset used in their trade to a company they control can elect to transfer the asset at its base cost, deferring any capital gain. The key condition is that the company must continue to use the asset in its trade.
- **Transfer Between Spouses** - Spouses are permitted to transfer specified assets to each other without incurring CGT, provided an election is made. This relief also applies to transfers of a principal private residence to a former spouse in compliance with a court order for maintenance or division of assets after divorce.

Special Capital Gains Tax on Mining Titles

A special capital gains tax applies to the transfer of mining titles in Zimbabwe, covering transactions concluded within or outside Zimbabwe whereby a mining title has been transferred to an entity at any time on or after the 1st of January 2024. The tax is generally charged at 20% of the transaction value, although a reduced rate of 5% applies where the transfer is approved under the Mines and Minerals framework or involves a change in control of the entity holding the title, while exemptions apply in cases of cancellation, forfeiture, surrender, or extinction of mining rights (provided this is not done to avoid tax).capital gains tax has been settled.

The tax must be paid by the transferee within 30 days of the transfer, supported by detailed documentation and an affidavit, and may be paid over up to six months with approval. Payment is required in foreign currency, and no transfer of mining title can be effected unless a tax clearance certificate has been issued confirming that the capital gains tax has been settled.

The tax must be paid by the transferee within 30 days of the transfer, supported by detailed documentation and an affidavit, and may be paid over up to six months with approval. Payment is required in foreign currency, and no transfer of mining title can be effected unless a tax clearance certificate has been issued confirming that the capital gains tax has been settled.

Special capital gains tax on landholding entities

Finance Act 7 of 2025 introduced a 20% special capital gains tax on transfer of shares or interests in a land holding entity effective 1 January 2026 to another entity, individual or partnership domiciled inside or outside Zimbabwe, wherever the transaction is concluded. A land holding entity primarily refers to an entity domiciled or incorporated outside Zimbabwe.

4.5. Withholding Taxes (Dividends, Royalties, Fees, Non-Resident Payments)

Non-Resident Tax on Fees

"Fees" means any amount from a source within Zimbabwe payable in respect of any services of a technical, managerial, administrative, or consultative nature. Every payer of fees to a non-resident person must withhold tax at 15%.

Non-Resident Tax on Royalties

Every payer of royalties to a non-resident person must withhold tax at 15%. Royalties include payments for the use of, or the right to use, any copyright, patent, trademark, design, secret formula or process, or for the use of industrial, commercial, or scientific equipment.

Non-Resident Tax on Remittances

Non-resident persons who effect any remittance in respect of allocable expenditure must pay non-residents' tax on remittances at 15%.

Resident Tax on Interest

A withholding tax on interest should be withheld from interest paid by a financial institution to residents. The rate is 15% for deposits held for less than 90 days, 5% for deposits held for 90 days up to less than 12 months, and interest on deposits held for 12 months or more is exempt

Non-Executive Directors' Fees

A withholding tax of 20% applies to payments made to resident and non-resident non-executive directors who are not subject to PAYE. This withholding tax is a final tax.

Withholding Tax on Contracts

A withholding tax of 30% must be deducted from payments of more than US$1,000 per annum to resident local suppliers in respect of contracts, unless a valid tax clearance certificate (ITF263) is provided by the payee. The following are exempt:

- Payments of taxes to ZIMRA.
- Payments made to employees.
- Sales effected in any shop in the ordinary course of business.
- Payments to non-resident persons in respect of fees, royalties, and remittances.

Below is a summary of the withholding tax rates:

Withholding Tax	Rate of tax
Non-Residents Shareholders' Tax	• 10% for dividends from securities listed on stock exchange • 15% for other dividends
Resident Shareholders' Tax	• 10% for dividends from securities listed on stock exchange • 15% for other dividends
Non-Residents' Tax on Fees	15%
Non-Residents' tax on remittances	15%
Non-resident tax on royalties	15%
Withholding Amounts Under Contract	30%
Non-Executive Directors' Fees	20%
Digital Services Withholding tax	• 15.5% for non-VAT registered foreign suppliers and 3/23 for VAT registered foreign suppliers.

Withholding Tax Rates Under Double Taxation Agreements

Zimbabwe has concluded DTAs with over 20 countries. These agreements reduce withholding tax rates on dividends, royalties, and fees. Investors should consult the relevant DTA for applicable reduced rates:

Country	Dividends (1)	Fees	Royalties	Remittances (3)
	%	%	%	%
Belarus	5/10 (5)	2.5	5	15
Botswana	5(1)/10(2)	10	10	15
Bulgaria	10	10	10	15
Canada	10	10	10	15
China	2.5(1)/7.5(2)	7.5	7.5	15
France	10	10	10	15
Germany	10	7.5	7.5	15
Malaysia	10	10	10	15
Mauritius	10	0/15 (4)	15	15
Netherlands	10	10	10	15
Norway	15	10	10	15
Poland	10	15	10	15

South Africa	5/10	5	10	15
Sweden	15	10	10	15
United Kingdom	5	10	10	15
United Arab Emirates	5	6	9	15

Notes

1) Only on shareholding or voting power, by a company, of at least 25%; otherwise, the rates remain (1).
2) The rate in scenario where voting power is below 25%.
3) Not applicable on DTAs hence non-residents' tax on remittances remains at 15% in all cases
4) Both rates are specified. Exemption appears to depend on there being liability in Mauritius.
5) 5% if beneficial owner is a company that directly owns at least 20% of paying company's capital; otherwise, 10%.

4.6. Presumptive and Other Taxes

Carbon Tax

Carbon tax imposed primarily on petroleum and diesel products. Carbon tax is payable in foreign currency at the rate of US$0.03 (3 cents) per litre of petroleum and diesel products or 5% of the cost, insurance and freight (CIF) value, whichever is greater.

IMTT (Intermediated Money Transfer Tax)

The Intermediated Money Transfer Tax is a levy on money transfers through a financial system at 1.5% ZIG transfers, and 2% foreign currency transactions. The tax applies to transfers by both individuals and businesses and is withheld by the financial institutions.

AFT (Automated Financial Transactions Tax)

The Automated Financial Transactions Tax is charged when a customer withdraws cash using an ATM. The rate is 5 cents for withdrawals not exceeding USD1,000 and 1% of transaction value for a withdrawal above USD1000.

Wealth Tax

Wealth tax is levied at 1% on residential properties valued at US$250,000 or more (excluding primary residences) and is administered by local authorities.

Mineral Levy and Mining Royalties

Mining entities are required to pay royalties, which are levied on the gross value of minerals produced or sold. Recent changes have introduced a tiered royalty structure for gold, effective from 2026, which is linked to international gold prices as follows:

- 3% where the price is below US$1,200 per ounce
- 5% where the price is between US$1,200 and US$5,000 per ounce
- 10% where the price exceeds US$5,000 per ounce

In addition, a specific levy on lithium has been introduced at a rate of 10% of the gross value of lithium concentrates exported. Royalty rates for other minerals are shown in the table below:

<table>
<tr><th>Mineral</th><th>Royalty Rate/ Basis</th><th>Currency of Payment</th><th>Date of Filing</th></tr>
<tr><td>Platinum Group Metals (Concentrate)</td><td>• Based on 85% of London Metal Exchange (LME) price.
• The royalty rate is at 7%.</td><td rowspan="3">50% in-kind, 10% foreign currency, 40% ZWG</td><td rowspan="9">By 10th day of the month after disposal</td></tr>
<tr><td>Platinum Group Metals (Matte)</td><td>• Based on 90% of LME price.
• The royalty rate is at 7%.</td></tr>
<tr><td>Diamonds</td><td>• Based on contract value with MMCZ.
• The royalty rate is at 10%.</td></tr>
<tr><td>Lithium</td><td>• The royalty rate is 5%.</td><td rowspan="6">50% foreign currency, 50% ZWG</td></tr>
<tr><td>Base Metals (e.g. nickel, copper)</td><td>• The royalty rate is 3%.</td></tr>
<tr><td>Coal</td><td rowspan="4">• 2% of gross value of sales</td></tr>
<tr><td>Black Granite</td></tr>
<tr><td>Dimensional Stones (cut or uncut)</td></tr>
<tr><td>Quarry Stones</td></tr>
</table>

Tobacco Levy

Tobacco Levy is charged on tobacco sold at auction floors. The levy rate is 1.5% for the buyer and 0.75% for the seller of the sale price. The auctioneer is responsible for deducting this levy and remitting it to ZIMRA within 48 hours of the sale.

Punters and Gaming Taxes (Bookmakers Tax)

Gaming operators (bookmakers) are liable to pay 20% of their gross monthly takings. Additionally, individual punters are liable for a separate 25% tax on their winnings.

Plastic Carrier Bag Tax

A 20% plastic carrier bag tax applies on the sale and local production value of disposable plastic bags. This was introduced to reduce plastic waste and promote biodegradable packaging.

Fast Foods Tax

There is a 1% surcharge on the sale value of specific processed food items to raise state revenue and discourage unhealthy diets. These include pizza, burgers and hot dogs.

Insurance Commission Tax

A 20% withholding tax is levied on commissions paid to freelance insurance agents and brokers by insurance companies. Insurers are required to withhold the tax and remit it to ZIMRA. The tax is a final withholding tax for the recipient.

4.7. Customs Duty and Reliefs

Duty Drawback Scheme

A duty drawback is a refund of Customs duties, taxes and fees paid on imported items that are subsequently exported. It is granted on imported goods not used in Zimbabwe and which are exported within two years from the date on which duty was paid thereon. It allows manufacturers who import raw materials or components for use in the production of goods that are subsequently exported to claim a refund of customs duties paid on those imported inputs. The refund is calculated as a percentage of the duties paid, effectively neutralising the tariff cost on export-bound production and enhancing the competitiveness of exports in international markets.

Duty-Free Importation of Solar Equipment

Import duty on all solar equipment was suspended in a decisive move aimed at accelerating the country's transition to renewable energy and attracting large-scale investment into the green economy. Duty-free importation applies to solar panels, inverters, solar lights, energy-saving light bulbs, and electricity generators.

Rebate Schemes for Manufacturers

Several industry-specific rebate schemes are available to registered manufacturers including duty free importation of materials for:

- Electrical Manufacturers
- Pharmaceutical Manufacturers
- Clothing Manufacturers
- Textiles Manufacturers
- Furniture Manufacturers
- Luggage Manufacturers

Appendices

Appendix A: List of Reserved Sectors for Domestic Investors

Sector / Activity	Description
Artisanal and small scale mining	Small scale mining operations, typically labour intensive and low technology
Barbershops, hairdressing and beauty salons	Personal care services
Employment agencies	Recruitment and placement services
Valet services	Parking, cleaning, and related concierge services
Passenger transport services	Buses, taxis, car hire services
Customs clearing	Clearing of goods through customs
Freight forwarding	Arranging the shipment of goods on behalf of importers/exporters
Haulage and logistics	Transport of goods by road, including heavy trucks
Bakeries	Production and retail of baked goods
Tobacco grading and packaging	Post harvest handling of tobacco leaf
Advertising agencies	Creation and placement of advertising content
Estate agencies	Property sales, leasing, and management
Pharmaceutical retailing	Retail sale of medicines and pharmaceutical products
Borehole drilling	Water well drilling services
Provision, marketing and distribution of local arts and crafts	Sale and promotion of locally produced arts and crafts
Grain milling	Processing of maize, wheat, and other grains into meal and flour
Brick moulding	Production of clay or cement bricks
Quarry mining	Extraction of stone, gravel, sand, or other minerals from an open pit mine
Granite mining	Extraction of granite blocks

Appendix B: Tax payment due dates (additional penalties for late filing of returns)

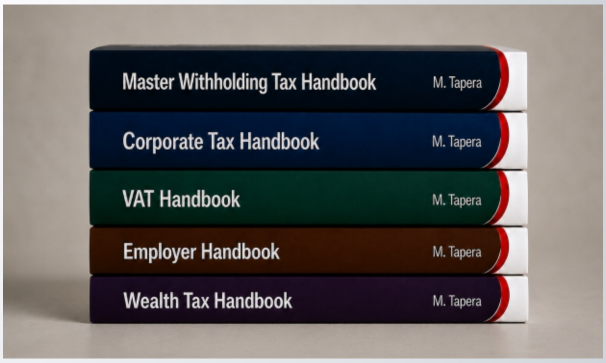
Tax Head	Tax Payment Date	Penalty levied on non-payment	Filing of returns
Withholding taxes	On or before the 10th day of the following month after payment	100% penalty	Return due by the 5th of the following month.
Non- Resident Shareholders' Tax	Within 30 days of the date of distribution	100% penalty	Return due by the 5th of the following month.
Resident Shareholders' Tax)	Within 10 days of the date of distribution	100% penalty	Return due by the 5th of the following month.
Non-Resident Tax on Fees	Within 10 days from the date of payment	100% penalty	Return due by the 5th of the following month.
Non-Resident tax on Remittances	Within 10 days of from the date of payment[5]	100% penalty	Return due by the 5th of the following month.
Non-Resident Tax on Royalties[8]	Within 10 days from the date of payment	100% penalty	Return due by the 5th of the following month.
Non-Executive Directors' Fees	Within 10 days of date of payment of the fees	100% penalty	Return due by the 5th of the following month.
PAYE	By the 10th day of the following month	100% penalty	Return due by the 5th of the following month.
Provisional tax (QPD)	25 March 25 June 25 September 15 December	None	20 March 20 June 20 September 15 December
Capital Gains Tax	Within 30 days of transfer of ownership of title.	15% of tax due	Within 15 days after transaction date (sale date)
VAT on imported services	Within 15 days of the date of invoice, service provision or paying the non-resident person whichever is earliest	100% penalty	By the 10th of the following month.
Value Added Tax	15th of the month following the end of the tax period.	100% penalty	By the 10th of the following month.
Tobacco Levy	Within 48 hours of the date of sale or relinquishing the tobacco by auctioneer	A penalty of up to 15% of the tobacco levy is charged for failing to withhold/remit levy.	By the 5th of the following month.

Appendix C: Useful Addresses and Contact Information

Organization	Physical Address	Telephone	Email
ZIDA	1st Floor, Block A, Smatsatsa Office Park, Borrowdale Road, Harare	+263 242 738 800–19	info@zidainvest.com
Zimbabwe Revenue Authority (ZIMRA)	6th Floor, ZB Centre, Corner First Street & Kwame Nkrumah Avenue, Harare	+263 242 758 891/5	info@zimra.co.zw
NSSA	NSSA House, Corner Sam Nujoma Street & Julius Nyerere Way, Harare	+263 242 792 981–9	enquiry@nssa.org.zw
Harare City Council	Rowan Martin Building, Corner Jason Moyo Avenue & Rezende Street, Harare	+263 242 712 950–9	communications@hararecity.co.zw
EMA	Corner Seke Road & Glenara Avenue, Harare	+263 242 305 543	eep@ema.co.zw
Medicines Control Authority of Zimbabwe (MCAZ)	106 Baines Avenue, Harare	+263 242 736 981/5	mcaz@mcaz.co.zw
Postal & Telecommunications Regulatory Authority of Zimbabwe (POTRAZ)	Block A, Emerald Business Park, Corner The Chase & Seke Road, Harare	+263 242 333 032–5	info@potraz.gov.zw
Zimbabwe Tourism Authority (ZTA)	55 Sam Nujoma Street, Harare	+263 242 758 730/2	info@zta.co.zw
Ministry of Health and Child Care	Kaguvi Building, Corner 4th Street & Central Avenue, Harare	+263 242 798 555	pr@mohcc.gov.zw
Ministry of Industry and Commerce	Ministry Building, Corner Josiah Tongogara Avenue & 8th Street, Harare	+263 242 707 540	publicrelations@mic.gov.zw
Ministry of Mines and Mining Development	New Government Complex, Corner Simon Vengai Muzenda Street & Central Avenue, Harare	+263 242 777 022	admin@mines.gov.zw
Ministry of Transport and Infrastructural Development	Kaguvi Building, Corner 4th Street & Central Avenue, Harare	+263 242 700 991	info@motid.gov.zw
Ministry of Local Government and Public Works	Makombe Building, Corner Herbert Chitepo Avenue & Leopold Takawira Street, Harare	+263 242 791 516	feedback@mlgpw.gov.zw
Ministry of Justice, Legal and Parliamentary Affairs	New Government Complex, Central Avenue, Harare	+263 242 777 227	feedback@justice.gov.zw
Ministry of Labour and Social Welfare	Kaguvi Building, Corner Central Avenue & Simon Vengai Muzenda Street, Harare	+263 242 794 571	info@labour.gov.zw
Ministry of Home Affairs and Cultural Heritage	Mukwati Building, Corner Herbert Chitepo Avenue & 1st Street, Harare	+263 242 703 631	info@moha.gov.zw
Ministry of Women Affairs, Community, Small and Medium Enterprises Development	Corner Samora Machel Avenue & Simon Vengai Muzenda Street, Harare	+263 242 794 583	info@women.gov.zw
Zimbabwe Energy Regulatory Authority (ZERA)	14th Floor, Century Towers, Harare	+263 242 793 220	info@zera.co.zw
Standards Association of Zimbabwe (SAZ)	Northend Close, Southerton, Harare	+263 242 662 017–9	saz@saz.org.zw
Zimbabwe National Chamber of Commerce (ZNCC)	5 Orkney Road, Eastlea, Harare	+263 242 334 726/7	info@zncc.co.zw
Confederation of Zimbabwe Industries (CZI)	14 Coventry Road, Workington, Harare	+263 242 772 281	czi@czi.co.zw
Intellectual Property Office of Zimbabwe (IPOZ)	Century House, Nelson Mandela Avenue, Harare	+263 242 703 041	info@ipoz.co.zw

TaxPro Access Membership

Continous Tax Support



Benefits:

- On Call Support (2 Calls Per Month)
- Online Monthly Tax Update
- Free Access to Paid Webinars
- 10% Discount on Events
- 5 Tax Handbooks

Annual Membership Fee: US$599

BECOME A MEMBER TODAY!

Contact Us

+263 77 349 8977
+263 78 280 2384

info@taxmatrix.co.zw
marketing@taxmatrix.co.zw

4 Church Road,
Avondale,
Harare