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- (a) the name, registered address and, where applicable, trading name(s) of the related person; and
- (b) evidence of the tax residence of the related person;
- (c) the year(s) in which the adjusted controlled transaction(s) took place;
- (d) the amount of the requested corresponding adjustment and the amounts of the adjustment made by the tax administration of the other country;
- 10 (e) evidence of the adjustment made by the tax administration of the other country and the basis for the adjustment, including details of comparability analysis relied upon and the transfer pricing method applied;
- (f) confirmation that the related person party will not, or is unable to, pursue any further recourse under the domestic law of the other country that may result in the adjustment made by the tax administration of the other country being reduced or reversed;
- 15 (g) any other information that may be relevant for examining the consistency of the adjustment with the arm's length principle.
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(5) The request must be made within the applicable time period for making a request for the case to be resolved by way of mutual agreement procedure under the applicable tax treaty.

*Relevance of OECD Transfer Pricing Guidelines*

25 13. The Organization for Economic Cooperation and Development (OECD) "Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations" and the UN Manual on the interpretation of transfer pricing are relevant sources of interpretation for these regulations. There may also be other relevant sources such as the United Nations Practical Manual on Transfer Pricing for developing countries.

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PART III

STAMP DUTIES

**7 Condonation of underpayment of stamp duty on policies or certificates of insurance, etc.**

35 (1) The underpayment between the 1st February, 2009, to the 30th July, 2015, of the stamp duty referred to in subsection (2) in the circumstances referred to in subsection (3) is hereby condoned.

(2) The stamp duty in question is payable under item 5 ("Policy of Insurance") of the Schedule ("Stamp Duty on Instruments and other Matters") to Chapter II of the Finance Act [*Chapter 23:04*].

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(3) The underpayment resulted from the erroneous application by insurance companies and insurance brokers (on the basis of mistaken advice communicated to insurance companies and insurance brokers collectively) of stamp duty at the rate of US\$0,01 instead of US\$0,05 for every dollar worth of premiums payable on policies or certificates of insurance or renewals thereof or on other documents which are in

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the form of guarantee, fidelity, security or surety bonds and which are signed by an insurance company or by any person transacting business on behalf of brokers or underwriters at Lloyd's.

PART IV

VALUE ADDED TAX

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**8 Amendment of section 11 of Cap. 23:12**

With effect from the 1st January, 2016, section 11 ("Exempt supplies") the Value Added Tax Act [*Chapter 23:12*] is amended in paragraph (a) and by the repeal of subparagraph (i) and the substitution of—

- "(i) the supply of short-term insurance by insurance agents or brokers liable to property and insurance commission tax under section 36H of the Income Tax Act [*Chapter 26:04*]:

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For the purpose of this subparagraph the short-term insurance in question shall be deemed to be a supply of financial services by the agents or brokers in question, and not by the insurance company or reinsurance company on behalf of which the brokers or agents buy or sell any policy of insurance:

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Provided tax shall be payable on the amount of the commission earned by such agents or brokers and not on the value of the policy of insurance;".

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PART V

CUSTOMS AND EXCISE

**9 New section substituted for section 172D of Cap. 23:02**

With effect from the 1st January, 2016, the Customs and Excise Act [*Chapter 23:02*] is amended by the repeal of section 172D and the substitution of—

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"172D Rate of excise duty on second-hand motor vehicle on which special excise duty payable

For the purposes of this Part, the rate of special excise duty on the sale of a second-hand motor vehicle shall be calculated by reference to the Schedule."

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**10 New Schedule inserted in Cap. 23:02**

With effect from the 1st January, 2016, the Customs and Excise Act [*Chapter 23:02*] is amended by the insertion of the following Schedule—

## "SCHEDULE (Section 172D)

## RATES OF SPECIAL EXCISE DUTY ON SECOND-HAND MOTOR VEHICLES

| Number of Years from date of Manufacture | Engine Capacity     | Proposed Excise Duty Rate (US\$) |
|--|---------------------|----------------------------------|
| 0-4                                      | Up to 1000 cc       | \$300                            |
|  | 1001-1500 cc        | \$400                            |
|  | 1501 – 2000 cc      | \$500                            |
|  | 2001 – 2500 cc      | \$600                            |
|  | 2501 – 3000 cc      | \$600                            |
|  | 3001 – 3500 cc      | \$600                            |
|  | Above 3501 cc       | \$600                            |
| 5-10                                     | Up to 1000 cc       | \$150                            |
|  | 1001-1500 cc        | \$200                            |
|  | 1501 – 2000 cc      | \$250                            |
|  | 2001 – 2500 cc      | \$300                            |
|  | 2501 – 3000 cc      | \$400                            |
|  | 3001 – 3500 cc      | \$400                            |
|  | Above 3501 cc       | \$400                            |
| 11-15                                    | Up to 1000 cc       | \$75                             |
|  | 1001-1500 cc        | \$100                            |
|  | 1501 – 2000 cc      | \$150                            |
|  | 2001 – 2500 cc      | \$200                            |
|  | 2501 – 3000 cc      | \$200                            |
|  | 3001 – 3500 cc      | \$200                            |
|  | Above 3501 cc       | \$200                            |
| 16-20                                    | Up to 1000 cc       | \$50                             |
|  | 1001-1500 cc        | \$75                             |
|  | 1501 – 2000 cc      | \$100                            |
|  | 2001 – 2500 cc      | \$150                            |
|  | 2501 – 3000 cc      | \$150                            |
|  | 3001 – 3500 cc      | \$150                            |
|  | Above 3501 cc       | \$150                            |
| Above 20                                 | All Engine Capacity | \$50                             |

## PART VI

## REVENUE AUTHORITY

**11 New section inserted in Cap. 23:11**

The Revenue Authority Act [*Chapter 23:11*] is amended by the insertion of the following section after section 34C—

**"34D Offsetting of tax refunds against tax liabilities**

Wherever in any Act specified in the First Schedule ("the Scheduled Acts") provision is made for the refund of any amount of tax overpaid, that provision is to be understood as permitting the Commissioner-General



to offset the amount of the refund due to a person against any liability of that person to the Commissioner-General for outstanding tax, whether that tax is imposed under the same Act by virtue of which the refund is to be made or is imposed under any other Scheduled Act.”.

PART VII

MINES AND MINERALS

*Amendments to Chapter VII of Finance Act [Chapter 23:04]*

**12 Amendment of Schedule to Chapter VII of Cap. 23:04**

With effect from the 1st October, 2014, the Schedule to Chapter VII of the Finance Act [Chapter 23:04] is amended by the repeal in paragraph 1 (which fixes the rates of royalties for the purposes of section 245 of the Mines and Minerals Act [Chapter 21:05]) of the item on gold produced by miners other than small-scale gold miners, and the substitution of the following item—

“Gold produced by other miners who have not realised any increment in their output in the current year of assessment compared to the output as at the end of the preceding year of assessment . . . . . 5:

Gold produced by other miners who have realised any increment in their output in the current year of assessment compared to the output as at the end of the preceding year of assessment (for the purpose of this item, royalty shall be paid at the rate of 5% and the reduction in the rate due to the increment found to have been archived at the end of the current year of assessment shall be offset against the royalty payable for the following year of assessment) . . . . . 3 (on the incremental or additional output only):”.

*Amendment to Mines and Minerals Act [Chapter 21:05]*

**13 New section substituted for section 249 of Cap. 21:05**

Section 249 of the Mines and Minerals Act [Chapter 21:05] is repealed and substituted by—

“249 Exemption of royalty in certain circumstances

If any miner—

- (a) desires to extract or treat ore from his or her location for experimental or similar purposes, he or she may apply to the Secretary for permission to treat or deal with the mineral or mineral-bearing product obtained from his or her location for a limited period or up to a limited amount, and the Secretary may permit such treatment or dealing without payment of royalty under such terms and conditions as may by the Secretary be deemed expedient Part VI;
- (b) of diamonds or other precious stones—
  - (i) enters into written agreement with the Minister whereunder the miner undertakes—
    - A. to train or fund the training (whether locally or abroad or both) of a specified number of

Zimbabwean citizens, annually or over a specified period, in the cutting, polishing, grading, valuation and beneficiation of diamonds and precious stones, and in all aspects of the diamond or jewellery trade generally; and

B. to establish or help to establish any one or a combination of the following: a significant local jewellery fabrication plant; one or more local jewellery retail outlets; or a local laboratory for the certification of cut and polished diamonds or precious stones in Zimbabwe;

and

(ii) satisfies the Minister that he or she has the resources and plans and to comply with his or her undertakings referred to in subparagraph (i) within a specified period; the Minister may, with the approval of the Minister responsible for finance, waive the payment of royalty, export tax and all fees and commissions charged by the Minerals Marketing Corporation of Zimbabwe on the export of rough diamonds or other unbeneficiated precious stones up to a limit of 10 000 carats of rough diamonds or precious stones per month.”.

PART VIII

AMENDMENT OF CAP. 22:18

**14 Minor amendments to Cap. 22:18**

The provisions of the Audit Office Act [*Chapter 22:18*] (No. 12 of 2009) specified in the first column of the Schedule are amended to the extent set out opposite thereto in the second column.

SCHEDULE (Section 14)

MINOR AMENDMENTS TO AUDIT OFFICE ACT [*CHAPTER 22:18*]

| <i>Provision</i>     | <i>Extent of Amendment</i>   |
|----------------------|--|
| Section 2(1)         | By the repeal of the definition of “Commission” and the substitution of:<br><br>““Board” means the Audit Office Board established by section 14;”. |
| Section 14 (Heading) | By the deletion of the heading thereto and the substitution of “Establishment and composition of Audit Office Board”.                              |

|  |   |
|--|---|
| Section 14(1),   | By the deletion of "a Commission, to be known as the Audit Office Commission" and the substitution of "a Board, to be known as the Audit Office Board". |
| Section 15 (Heading)   | By the deletion of the heading thereto and the substitution of "Functions of Board".  |
| Sections 14(1)(a) and (2)(a) and (b), 15(1), (1)(f), (2), 16(1), (2) and (2)(c), 17(2) and (3), 18(1)(a) and (b) 20(1), 21(1), (2) and (3), 21(5), 22(1) and (4), 23, 27, 28(1), (3) and (4), 28(5), 29(1), (3)(a) and (5), 30(1), (4) and (6), 31(2)(i) and (n) and (5), 35(3)  | By the deletion of "Commission" and the substitution of "Board".  |
| Sections 16(3) and (4), 17(1), 18(2), 19(1), 20(2), 22(3), 24(1), 28(2), 30(2), (3) and (5), 35(2)   | By the deletion of "Commission" wherever it occurs and the substitution of "Board".   |
| Section 30 (Heading)   | By the deletion of the heading thereto and the substitution of "Minister may give Policy directions to Board".  |
| First Schedule (Heading)   | By the deletion of the heading thereto and the substitution of "Provisions Applicable to Board".  |
| First Schedule (Paragraphs 1, 2 (Heading) and (1), 3 (Heading) and (1), 4(Heading), (1) and (2)(a), 5 (Heading), 6 (Heading), 6(1), (2)(a) and (b), (5), (6), (7), (8), (9), (10), (11) and (12), 7 (Heading), (1), (2), (3), (4) and (9), 8 (Heading), (1), (2) and (3), 9 (Heading), (1) and (1)(b), (2)(b) and (3), 10 (Heading) (1) and (2)) | By the deletion wherever it occurs of "Commission" and the substitution of "Board".   |
| Second Schedule  | By the deletion wherever it occurs of "Commission" and the substitution of "Board".   |