arrangement of sections

part i

Preliminary

*Section*

1. Short title.

part ii

Income Tax

Amendments to Chapter I of Finance Act [Chapter 23:04]

2. New section inserted in Cap. 23:04

3. Amendment of section 14 of Cap. 23:04

4. Amendment of Schedule to Chapter I of Cap. 23:04.

5. Amendment of section 22C of Cap. 23:04

Amendments to Income Tax Act [Chapter 23:06]

6. Amendment of section 2 of Cap. 23:06.

7. Amendment of section 15 of Cap. 23:06

8. Amendment of section 77 of Cap. 23:06.

9. Amendment of section 80 of Cap. 23:06

10. Amendment of Third Schedule to Cap. 23:06.

11. Amendment of Fourth Schedule to Cap. 23:06.

12. Amendment of Thirteenth Schedule to Cap. 23:06

13. Amendment of Twenty-Fourth Schedule to Cap. 23:06.

14. Amendment of Thirtieth Schedule to Cap. 23:06

part III

Capital Gains Tax

Amendments to Chapter VIII of Finance Act [Chapter 23:04]

15. New section substituted for sections 38 of Cap. 23:04

16. Amendment of section 39A of Cap. 23:04

Part IV

Value Added Tax

Amendment to Value Added Tax Act [Chapter 23:12]

17. Amendment of section 2 of Cap. 23:12

18. Amendment of section 20 of Cap. 23:12

19. Use of tax invoices generated before 1/1/22 for purposes of section 15 of Cap. 23:12.

part V

Estate Duty

20. Amendment of Schedule to Chapter VI of Cap. 23:04

Part VI

Customs and Excise

21. New sections inserted in Cap. 23:02.

PART VII

Revenue Authority

22. Suspension of operation of section 34B of Cap. 23:11

23. Amendment of section 34C of Cap 23:11

24. New sections inserted in Cap. 23:11

part VIII

Mines and Minerals

Amendment of Chapter VII of Finance Act [Chapter 23:04]

25. Amendment of Chapter VII of Cap. 23:06.

**BILL**

To make further provision for the revenues and public funds of Zimbabwe and to provide for matters connected therewith or incidental thereto.

ENACTED by the President and Parliament of Zimbabwe.

PART I

Preliminary

1 Short title

This Act may be cited as the Finance Act, 2021.

part iI

Income Tax

Amendments to Chapter I of Finance Act [Chapter 23:04]

2 New section inserted in Cap. 23:04

The Finance Act [*Chapter 23:04*] is amended by the insertion in Part II after section 13 of the following section—

“13B  Credit for employment of physically challenged persons

(1) In this section—

“employee” excludes a trainee, intern and apprentice and a managerial employee (as that latter term is defined in the Labour Act);

“physically challenged person” means an individual having a medically ascertainable physical condition or impairment that makes it [difficult](https://www.ldoceonline.com/dictionary/difficult) for him or her to do things that other individuals without the same physical condition or impairment  can do easily;

“qualifying taxpayer” means a company or trust or individual taxpayer engaged in trade or investment who qualifies for a credit in terms of this section;

“valid medical report” means a report that truthfully describes the condition of the individual in respect of whom it is issued at the time a credit under this section relating to his or her employment is claimed.

(2)  Subject to subsection (4), a credit to be determined in accordance with subsection (3) shall be deducted from the income tax payable by a qualifying taxpayer who employs any physically challenged person during the year of assessment .

(3)  The amount of the credit deductible in terms of subsection (2) shall be calculated at the rate of fifty United States dollars per month (or the equivalent thereof in Zimbabwe dollars) for each additional employee up to a maximum aggregate amount of two thousand two hundred and fifty United States dollars (or the equivalent thereof in Zimbabwe dollars) in any year of assessment.

(4) For the purposes of this section—

(a) the qualifying taxpayer must be

(i) a registered taxpayer and tax compliant for the preceding year of assessment; and

(ii) be compliant in every respect with the applicable requirements of the National Social Security Act;

(b) proof satisfactory to the Commissioner must be furnished that the person in respect of whom the credit is claimed is a physically challenged person, in the form of a valid medical report by a medical practitioner employed in a Government hospital;

(c) the credit may not be claimed before the additional employee concerned has completed twelve consecutive months’ employment with the claimant at a wage equivalent to or in excess of the minimum taxable threshold of income from employment per month; and

(d) to the extent that any credit under this section exceeds the tax payable by the qualifying taxpayer claiming it, the Commissioner shall not refund such excess to the taxpayer; and

(e) where a qualifying taxpayer entitled to a credit under this section has an assessed loss in the year of assessment in which such entitlement accrued, the taxpayer, the amount of the credit shall be added to the assessed loss for the purpose of carrying it over to the next year of assessment.

3 Amendment of section 14 of Cap. 23:04

(1)  Section 14 (“Income tax for periods of assessment after 1.4.88”) (2) of the Finance Act [*Chapter 23:04*] is amended—

(a) with effect from the year of assessment beginning on the 1st. January, 2022—

“(a) in the case of a person other than a company, a trust or a pension fund, at the specified percentage of each dollar of each of the following parts of his or her taxable income from employment—

(i) so much as does not exceed three hundred thousand thousand dollars;

(ii) so much as exceeds three hundred thousand dollars but does not exceed seven hundred and twenty thousand dollars;

(iii) so much as exceeds seven hundred and twenty thousand dollars but does not exceed one million four hundred and forty thousand dollars;

(iv) so much as exceeds one million four hundred and forty thousand dollars but does not exceed two million eight hundred and eighty thousand dollars;

(v) so much as exceeds two million eight hundred and eighty thousand dollars but does not exceed six million dollars;

(vi) so much as exceeds six million dollars:

Provided that where a person earns any part of his or her taxable income from employment in foreign currency, there shall be substituted for the figures referred to in subparagraphs (i) to (vi) the following figures—

1. in subparagraph (i), “one thousand two hundred United States dollars”;

B. in subparagraph (ii), “eight hundred and forty United States dollars” and “three thousand six hundred United States dollars” respectively;

C. in subparagraph (iii), ““three thousand six hundred United States dollars”” and “twelve thousand United States dollars” respectively;

D. in subparagraph (iv), “twelve thousand United States dollars” and “twenty-four thousand United States dollars” respectively;

E. in subparagraph (v), “twenty-four thousand eight United States dollars” and “thirty six thousand United States dollars” respectively;

F. in subparagraph (vi), “thirty six thousand States dollars”;

(and, if such income is denominated in a foreign currency other than the United States dollar, the equivalent amount in United States dollars shall be calculated, being an amount obtained by applying the international cross rate of exchange of that currency for the United States dollar prevailing on the day the income is received or accrued);”.

(2)  For the purpose of section 14(2)(a) of the Finance Act, the taxable income from employment of a person who receives such income partly in Zimbabwe dollars and partly in United States dollars shall be taxed as if the income was all denominated in United States dollars, with the Zimbabwe dollar portion of the income being converted to its United States equivalent at the interbank rate prevailing when the income was received, and aggregated to the part of the income denominated in United States dollars.

4 Amendment of Schedule to Chapter I of Cap. 23:04

The Schedule (“Credits and Rates of Income Tax”) to Chapter I of the Finance Act [*Chapter 23:04*] is amended—

(a) with effect from the year of assessment beginning on the 1st January, 2022, in Part II by the deletion of the items relating to the level of taxable income earned from employment, and the substitution of the following—

|  |  |  |
| --- | --- | --- |
| “*Section* | Level of taxable income | *Specified percentage %* |
| 14(2)(a)(i) | Up to $300 000 | 0 |
| 14(2)(a)(ii) | $$300 001 to $720 000 | 20 |
| 14(2)(a)(iii) | $720 001  to $1 440 000 | 25 |
| 14(2)(a)(iv) | $1 440 001 to $2 880 000 | 30 |
| 14(2)(a)(v) | $2 880 001 to $6 000 000 | 35 |
| 14(2)(a)(vii) | $6 000 001 and more | 40”. |
| “*Section* | Taxable income from employment in foreign currency  Level of taxable income | *Specified percentage %* |
| 14(2)(a)(i) | Up to US$ 81200 | 0 |
| 14(2)(a)(ii) | US$$ 81201 to US$3 600 | 20 |
| 14(2)(a)(iii) | US$3 601  to US$12 000 | 25 |
| 14(2)(a)(iv) | US$12 001 to US$24 000 | 30 |
| 14(2)(a)(v) | US$24 001 to US$36 000 | 35 |
| 14(2)(a)(vii) | US$36 001 and more | 40”. |
|  |  |  |

5 Amendment of section 22C of Cap. 23:04

With effect from the 1st January, 2012, in year of assessment beginning on the 1st January, 2012, section 22C (“Presumptive tax”) of the Finance Act [*Chapter 23:04*] is amended by the insertion of the following paragraphs after paragraph (m)—

“(n) operators of commercial waterborne vessels—

(i) of a description referred to in paragraph 2(a) of the definition of “commercial waterborne vessel” in the Twenty-Sixth Schedule, having a carrying capacity (inclusive of cabin crew)—

A. of not more than five passengers, two hundred and fifty United States dollars per quarter per vessel;

B. of six passengers but less than sixteen passengers, five hundred United States dollars per quarter per vessel;

C. of sixteen passengers but less than twenty-six passengers, one thousand United States dollars per quarter per vessel;

D. of twenty-six passengers but less than fifty passengers, one thousand five hundred United States dollars per quarter per vessel;

E. of fifty or more passengers, two thousand United States dollars per quarter;

Amendments to Income Tax Act [Chapter 23:06]

6 Amendment of section 8 of Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2022, and any subsequent year of assessment, section 8 (“Interpretation of terms relating to income tax”)(1) of the Income Tax Act [*Chapter 23:06*] is amended in the definition of “gross income”, by the repeal of the definition of “advantage or benefit” in paragraph (f) I and the substitution of—

“I.  “advantage or benefit”—

(a) means—

(i) board; or

(ii) the occupation of quarters or of a residence; or

(iii) the use of furniture or of a motor vehicle; or

(iv) the use or enjoyment of any other property whatsoever, corporeal or incorporeal, including a loan, whether of the same kind as that referred to in subparagraph (i), (ii) or (iii) or not, which is not an amount referred to in paragraph (a), (b) or (c) of the definition of “gross income” in this subsection; or

(v) an allowance; granted to a employee, his spouse or child by or on behalf of his employer in so far as it is not consumed, occupied, used or enjoyed, as the case may be, for the purpose of the business transactions of the employer and in so far as a amount is not paid by the employee, his spouse or child in respect of its grant; and

(vi) thirty *per centum* of the cost of the provision by the employer to the employee for use at the home of the employee or outside of the work premises of—

A. mobile or landline telephone airtime; or

B. airtime or .data for broadband or internet access,

unless the employer proves to the Commissioner that any part of the taxable portion of such cost was used for the purposes of the employee’s employment

(b) includes a passage benefit;”.

7 Amendment of section 15 of Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2022, section 15 (“Deductions allowed in determination of taxable income”)(2) of the Income Tax Act [*Chapter 23:06*] is amended by the repeal of paragraph r1) and the substitution of—

“(r1) any amount paid by the taxpayer during the year of assessment, without any consideration whatsoever, to the State or to a fund for any one or more of the following purposes approved by the Minister responsible for health—

(i) the purchase of medical equipment for a hospital operated by the State, a local authority or a religious organisation; or

(ii) the construction, extension or maintenance of a hospital operated by the State, a local authority or a religious organisation; or

(iii) the procurement of drugs, including anti-retroviral drugs, to be used in a hospital operated by the State, a local authority or a religious organisation:

Provided that the deduction allowable under this paragraph shall not exceed one hundred thousand United States dollars converted at the auction rate prevailing on the day the donation is made;”.

8 Amendment of section 77 of Cap. 23:06

Section 77 (“Recovery of tax”)(1) of the of the Income Tax Act [*Chapter 23:06*] is amended by the insertion of the following subsection after subsection (8)⎯

“(9)  No person who, by his or her own representations or to all appearances, derives the benefit from any business from which, or property in respect of which, any tax is recoverable in terms of this Act, can avoid liability for paying the tax on the basis or alleged basis that he or she is not the beneficial owner of the business or property in question, unless⎯

(a) the fact of such beneficial ownership, and the name or names and other relevant particulars of the beneficial owner or owners, were fully disclosed by the person in any return relating to such business or property that was filed with the Commissioner within a period of not more than twelve months preceding the date when any claim for the recovery of the tax in question was made by or on behalf of the Commissioner; and

(b) the beneficial owner or any one of them is ordinarily resident in Zimbabwe or is otherwise amenable to being sued for the recovery of the tax in Zimbabwe.”.

9 Amendment of section 80 of Cap. 23:06

Section 80 (“Withholding of amounts payable under contracts with State or statutory corporations”)(1) of the of the Income Tax Act [*Chapter 23:06*] is amended by the repeal of the definition of “contract” and the substitution of⎯

“contract” means a contract in terms of which the State or a statutory body, quasi-Governmental institution or registered taxpayer is obliged to pay one or more persons an amount or amounts totalling or aggregating one hundred and twenty thousand dollars more or, where the contract is denominated in foreign currency, one thousand United States dollars or more, but does not include—

(*a*) an agreement for the settlement of a delictual claim against the State or a statutory corporation; or

(*b*) an employment contract; or

(*c*) a sale effected in any shop in the ordinary course of the business of such shop, or any other consumer contract for the sale or supply of goods or services or both (other than a contract for the sale, letting or hire of immovable property), in which the seller or supplier is dealing in the course of business and the purchaser or user is not; or

(d) a contract for the purchase of auction or contract tobacco in terms of which tobacco levy may be required to be withheld in terms of section 36A;”.

10 Amendment of Third Schedule to Cap. 23:06

The Third Schedule (“Exemptions from Income Tax”) to the Income Tax Act [*Chapter 23:06*] is amended—

(a) in paragraph 3(j) by the insertion of the following subparagraph after subparagraph (i), by the repeal of subparagraph D and the substitution of—

“D. the REIT—

I. must have a minimum of 100 shareholders after the first year of the date when it qualifies in other respects to benefit from the exemption under this subparagraph; and

II. must not have more than fifty *per centum* of its shares held by five or fewer individuals during a taxable year:

Provided that one or more pension funds may hold more than fifty *per centum* of the shares of REIT in any taxable year;”;

(b) with effect from the 1st November, 2021, in paragraph 4(o) by the deletion of “twenty-five thousand dollars (or three hundred and twenty United States dollars)” and the substitution of “one hundred thousand dollars (or seven hundred United States dollars if the recipient is remunerated in foreign currency or is deemed to be so remunerated by virtue of section 14(2) of the Finance (No. 3) Act, 2019)”;

(c) with effect from the 1st November, 2021, in paragraph 4(p)—

(i) by the deletion of “fifty thousand dollars (or three thousand two hundred United States dollars if the recipient was remunerated in foreign currency or is deemed to have been so remunerated by virtue of section 14(2) of the Finance (No. 3) Act, 2019)” and the substitution of “four hundred thousand dollars (or three thousand two hundred United States dollars if the recipient was remunerated in foreign currency or is deemed to have been so remunerated by virtue of section 14(2) of the Finance (No. 3) Act, 2019)”;

(ii) in the proviso by the deletion of “two hundred and forty thousand dollars (or fifteen thousand one hundred United States dollars if the recipient was remunerated in foreign currency or is deemed to have been so remunerated by virtue of section 14(2) of the Finance (No. 3) Act, 2019)” and the substitution of “two million dollars (or fifteen thousand one hundred United States dollars if the recipient was remunerated in foreign currency or is deemed to have been so remunerated by virtue of section 14(2) of the Finance (No. 3) Act, 2019)”;

(d) in paragraph 10(1)—

(i) in paragraph (n) by the deletion of “one hundred and forty-four million dollars” and the substitution of “three thousand United States dollars or two hundred and forty thousand Zimbabwe dollars”;

(ii) by the repeal of paragraph (o) and the substitution of—

“(o) banker’s acceptances and other discounted instruments traded by financial institutions and accruing to a taxpayer who is of or over the age of fifty-five years, in respect of the first three thousand United States dollars or two hundred and forty thousand Zimbabwe dollars accruing to the taxpayer in the year of assessment concerned.”.

11 Amendment of Fourth Schedule to Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2022, the Fourth Schedule (“Deductions to be Allowed in Respect of Buildings, Improvements, Machinery and Equipment Used for Commercial, Industrial and Farming Purposes, and Other Provisions Relating Thereto”) to the Income Tax Act [*Chapter 23:06*] is amended in paragraph 9 (“Rates of special initial allowance”) by the insertion after paragraph (g) of the following paragraph—

“(h) on the 1st January, 2014, or on any subsequent year of assessment, be a sum equal to twenty-five *per centum*.”.

12 Amendment of Thirteenth Schedule to Cap. 23:06

With effect from the 1st January, 2022, the Thirteenth Schedule (“Employees’ Tax”) to the Income Tax Act [*Chapter 23:06*] is amended in paragraph 1 (1) in the definition of “remuneration” —

(a) by the repeal of paragraph (b) and (c) and the substitution of—

“(b) any amount of director’s fees paid or payable to any individual by any company in respect of services rendered or to be rendered by such individual to such \company;

(c) any amount of fees paid or payable to the chairman or a member of a board of any statutory corporation in respect of services rendered or to be rendered by such chairman or member on such board; or”;

(b) by the repeal of the last two paragraphs and the substitution of—

“(i) the COVID-19 civil servants’ allowance, that is to say—

(i) that part of the salary of a civil servant6 or of a civil service pension that is denominated in United States dollars; or

(ii) an allowance of the same amount and for the same purpose as that paid to civil servants referred to in paragraph (a), that was paid by the State to employees who are not civil servants.

(j) fees received by a non-executive director from which tax is withheld in terms of the Thirty-Third Schedule.”.

(b) by the repeal of the last two paragraphs and the substitution of—

“(i) the COVID-19 civil servants’ allowance, that is to say—

(i) that part of the salary of a civil servant6 or of a civil service pension that is denominated in United States dollars; or

(ii) an allowance of the same amount and for the same purpose as that paid to civil servants referred to in paragraph (a), that was paid by the State to employees who are not civil servants.

(j) fees received by a non-executive director from which tax is withheld in terms of the Thirty-Third Schedule.”.

(k) any amount which the Commissioner-General directs or prescribes shall not be remuneration for the purposes of this Schedule;”.

13 Amendment of Twenty-Fourth Schedule to Cap. 23:06

With effect from the 1st January, 2022, the Twenty-Fourth Schedule to the Income Tax Act [Chapter 23:06] is amended by the repeal of paragraph 7 and the substitution of⎯

“Returns to be furnished to Commissioner

7. Payment of the tobacco levy by an auctioneer in terms of paragraph 2 shall be accompanied by a return in the form prescribed:

Provided that the auctioneer may render the return separately no later than the tenth day of the month following the month in which he or she paid the tobacco levy.”

14 Amendment of Thirtieth Schedule to Cap. 23:06

The Thirtieth Schedule (“Intermediated Money Transfer Tax”) to the Income Tax Act [*Chapter 23:06*] is amended in paragraph 1 (“Interpretation”) (1)⎯

“(q3) the transfer of funds from the Carbon Tax Sinking Fund account, to which a portion of the carbon tax revenues are dedicated in repayment of investors in the one hundred million United States dollar bond underwritten by Afreximbank to finance road building, irrigation works and health infrastructure;”.

part III

Capital Gains Tax

Amendments to Chapter VIII of Finance Act [Chapter 23:04]

15 New section substituted for sections 38 of Cap. 23:04

With effect from 22nd February, 2019, section 38 of the Finance Act [*Chapter 23:04*] is repealed and substituted by—

“38  Rates of capital gains tax

The capital gains tax chargeable in terms of section 6 of the Capital Gains Tax Act [*Chapter 23:01*], shall be calculated—

(a) in respect of a specified asset acquired before the 22nd February, 2019, at the rate of—

(i) five cents for each dollar of the gross capital amount determined in accordance with the Capital Gains Tax Act [*Chapter 23:01*];

(ii) twenty-five United States cents for each United States dollar of the gross capital amount determined in accordance with the Capital Gains Tax Act [*Chapter 23:01*], in a case referred to in section 39A;

(b) in respect of a specified asset acquired on or after the 22nd February, 2019, at the rate of—

(i) twenty cents for each dollar of the gross capital amount determined in accordance with the Capital Gains Tax Act [*Chapter 23:01*];

(ii) twenty United States cents for each United States dollar of the capital gain determined in accordance with the Capital Gains Tax Act [*Chapter 23:01*] in a case referred to in section 39A.”.

16 Amendment of section 39A of Cap. 23:04

With effect from the 22nd February, 2019, section 39A (“Payment of capital gains tax in foreign currency in certain circumstances”) of )the Finance Act [Chapter 23:4] is amended in Chapter VIII by the insertion of the following subsection after subsection (9)—

“(9a)  For the purposes of determining the capital gain received by or accrued to or in favour of any person in a foreign currency, no amounts shall be deducted therefrom that are allowed to be deducted in terms of section 11 of the Capital Gains Tax Act [*Chapte*r *23:01*], other than—

(a) the amount referred to in section 11(2)(a), (b), (d), (e), (f) and (g); and

(b) in respect of each year or part of a year of assessment from—

(i) the date of acquisition of the specified asset to the date of sale, an amount of two and half *per centum* of the purchase price of the specified asset.; and

(ii) where any additions, alterations or improvements to the specified asset were made, an amount of two and half *per centum* of the cost of the additions, alterations or improvements to the date of sale of the specified asset:

Provided that where the expenditure referred to in paragraph (b)(i) or (ii) was incurred in Zimbabwean currency, the expenditure shall be converted to United States dollars in accordance with a formula prescribed by the Minister by notice in a statutory instrument.”.

part IV

Value Added Tax

17 Amendment of section 2 of Cap. 23:12

With effect from the 1st January, 2022, section 2 (“Interpretation”)(1) of the Value Added Tax Act [*Chapter 23:12*] is amended—

“ “tax invoice” or “fiscal tax invoice” means a fiscal tax invoice provided by a registered operator, and printed by a fiscalised electronic register or fiscal memory device used by a registered operator for the purpose of section 20;”.

18 Amendment of section 20 of Cap. 23:12

With effect from the 1st January, 2022, section 20 (“Tax invoices”)(4) of the Value Added Tax Act [*Chapter 23:12*] is amended by the repeal of paragraph (a) and the substitution of⎯

“(a) the words “fiscal tax invoice” in a prominent place;”.

19 Use of tax invoices generated before 1/1/22 for purposes of section 15 of Cap. 23:12

Value added tax invoices that were generated before the 31st December, 2021 (inclusive), may be used to claim input tax for the purpose of section 15 (“Calculation of tax payable”) of the Value Added Tax Act [*Chapter 23:12*] no later than the 31st March, 2022.

part V

Estate Duty

20 Amendment of Schedule to Chapter VI of Cap. 23:04

With effect from the 1st January, 2009, the Schedule to Chapter VI of the Finance Act [*Chapter 23:04*] is amended in paragraph 6E by the repeal of proviso (ii) thereto and the substitution of⎯

“(ii) only such portion of the value of the property included in the estate as exceeds one hundred thousand United States dollars (or the equivalent thereof in Zimbabwe dollars) shall be deemed to be the dutiable amount.”.

part VI

Customs and Excise

21 New section inserted in Cap. 23:02

The Customs and Excise Act [*Chapter 23:02*] is amended by the insertion of the following section after section 142—

“142A  Estimated assessments may be raised against persons engaged in manufacture of commodities liable to excise duty or surtax

(1) Where—

(a) any person fails or neglects to furnish any return as required by sections 142; or

(b) the Commissioner is not satisfied with any return or declaration which any person is required to furnish under a section referred to in paragraph (a); or

(c) the Commissioner has reason to believe that any person has become liable for the payment of excise duty but has not paid such amount; or

(d) any person, not being a licenced manufacturer in terms of section 128, manufactures any excisable goods and does not render a return or pay the excise duty due,

the Commissioner may make an assessment of the excise duty payable by the person liable for the payment of such amount of excise duty, and the amount of excise duty so assessed shall be paid by the person concerned to the Commissioner.

(2) In making such assessment the Commissioner may estimate the amount upon which excise duty is payable and the amount of excise duty payable by that person

(3) The Commissioner shall give the person concerned a written notice of such assessment, stating the amount upon which excise duty is payable, the amount of any penalties payable in terms of section 186.

(4) An assessment made by the Commissioner under subsection (2) shall be deemed to be the correct assessment for the purposes of this section and shall be due and payable within the time specified by the Commissioner.

(5) Where an operator fails to make payment as required under section (142) the excise duty specified in the assessment made under subsection (2) shall constitute a debt due to Government which debt shall be dealt with in accordance with the provisions of this Act.”.

PART VII

Revenue Authority

22 Suspension of operation of section 34B of Cap. 23:11

With effect from the 1st January, 2022, the operation of section 34B (“Reward for information”) of the Revenue Authority Act [*Chapter 23:11*] is suspended indefinitely.

23 Amendment of section 34C of Cap 23:11

Section 34C (“Tax clearance certificates”) (1) of the Revenue Authority Act [*Chapter 23:11*] is amended by the insertion of following paragraph (f) ⎯

“(g) being a registered operator for the purpose of the Value Added Tax Act [*Chapter 23:12*], has fiscalised his or her operations to the extent that they are interfaced with the Authority’s server.”.

24 New section inserted in Cap. 23:11

The Revenue Authority Act [*Chapter 23:11*] (No. 17 of 1999) is amended by the insertion of the following section after section 34F—

“34G Manner of giving notices and serving documents under Revenue Acts

(1)  In this section—

“document”, in relation to the service of a document other than a notice, means an affidavit, memorandum or other document required to be served for any purpose under this Act or the Revenue Acts;

“messenger” means any person acting on behalf of a notifier in terms of subsection (2)(a) or (3)(a), or a courier referred to in subsection (2)(b) or (3)(b), or a an employee or agent of the Revenue Authority referred to in subsection (4)(b);

“proof of service” means written and dated proof of services of the notices or documents referred to in subsection (2), (3) or (4).

(2)  Whenever in any of the Revenue Acts it is specified that any notice or document is to be delivered, served or sent to any person, then despite anything contained in that Act concerning the manner of such delivery, service or sending, such notice or document is deemed to be validly delivered, served or sent if delivered, served or sent in any one of the following ways—

(a) by hand delivery to the person being notified or to a responsible person at the residential address or place of business of the person being notified (such delivery must to be evidenced by an affidavit sworn and dated not later than 48 hours after such delivery, by the notifier or his or her messenger, to the effect that delivery was made by hand at the specified time, and at the specified address); or

(b) by delivery to the address of the person being notified through a commercial courier service (such delivery to be evidenced by a receipt or other proof of delivery by the courier service); or

(c) by delivery through electronic mail or other electronic means to the electronic address of the person being notified, which electronic address has been furnished to the Commissioner or any of the Authority’s officers dully authorised thereto by the Commissioner, and which electronic notification shall be evidenced by—

(i) an acknowledgement (by the same means by which the notification was sent and on the same day or no later than midday on the following day) of receipt from the recipient; or

(ii) confirmation (made or obtained on the same day or no later than midday on the following day) by the electronic mail server that the communication was sent and arrived at its destination; or

(iii) written acknowledgment by the recipient that he or she has received it;

(otherwise the burden of proof that any electronic communication was sent and arrived at its destination shall rest with the sender of the communication);

(d) in the case where a notice is required to be served on anyone but his or her whereabouts cannot be ascertained after diligent inquiry or the service is rendered impossible by willful conduct of the person to be notified, notice shall be deemed validly served if, no later than 48 hours before the expiry of the statutory period for the giving of the notice—

(i) the notifier (the Commissioner or any of the Authority’s officers dully authorised thereto by the Commissioner) or the messenger on behalf of the notifier deposes to that fact in an affidavit and such affidavit is filed for record at the office of the notifier; and

(ii) the notice is posted on the electronic notice board of the website of the Authority;

(3)  Whenever in any of the Revenue Acts it is specified that a document is to be served upon any person, then despite anything contained in that Act concerning the manner of such service, such notice or document is deemed to be validly served if served in any one of the following ways—

(a) by hand delivery to the person being served or to a responsible person at the residential address or place of business of the person being served (such delivery must to be evidenced by an affidavit sworn and dated not later than 48 hours after such delivery, by the server or his or her messenger to the effect that delivery was made by hand at the specified time, and at the specified address); or

(b) by delivery to the address of the person being served through a commercial courier service (such delivery to be evidenced by a receipt or other proof of delivery by the courier service); or

(c) by delivery through electronic mail or other electronic means to the electronic address of the person being notified, which electronic address has been furnished to the Commissioner or any of the Authority’s officers dully authorised thereto by the Commissioner, and which electronic notification shall be evidenced by—

(i) an acknowledgement (by the same means by which the notification was sent and on the same day or no later than midday on the following day) of receipt from the recipient; or

(ii) confirmation (made or obtained on the same day or no later than midday on the following day) by the electronic mail server that the communication was sent and arrived at its destination; or

(iii) written acknowledgment by the recipient that he or she has received it;

(otherwise the burden of proof that any electronic communication was sent and arrived at its destination shall rest with the sender of the communication);

(d) in the case where a document is required to be served on anyone but his or her whereabouts cannot be ascertained after diligent inquiry or the service is rendered impossible by willful conduct of the person to be notified, the document shall be deemed validly served if, no later than 48 hours before the expiry of the statutory period for the giving of the document—

(i) the notifier (the Commissioner or any of the Authority’s officers dully authorised thereto by the Commissioner) or the messenger on behalf of the notifier deposes to that fact in an affidavit and such affidavit is filed for record at the office of the notifier; and

(ii) the notice is posted on the electronic notice board of the website of the Authority;

(4)  If the notifier or servor of any notices or documents under subsection (2) or (3) the Commissioner or any of the Authority’s officers dully authorised thereto by the Commissioner, proof of services of the documents shall be filed without delay at the any office of the Authority and in a manner appointed by the Commissioner for such purpose, and retained for not less than three years.”.

part VIII

Mines and Minerals

Substitution of Chapter VII of Finance Act [Chapter 23:04]

25 Amendment of Chapter VII of Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2022, Chapter VII of the of the Finance Act [*Chapter 23:04*] is amended—

(a) in section 37A (“Collection of mining royalties”) by the repeal of paragraph (a) and the substitution of—

“(a) in respect of precious stones, precious metals (other than gold), base metals, industrial metals, coalbed methane and coal, the financial institution with which any part of the moneys from which such royalties are deductible are deposited by the producer of such minerals or person authorised to export such minerals in its own right;”.

(b) by the insertion of the following section after section 37A—

“37B  Methodology for determination of rates of royalty

Rates of royalty for specific minerals or mineral bearing ore shall be calculated by using the following criteria—

(a) In the case of platinum group metals—

(i) concentrate - 80% of the international price of the refined mineral contained therein; and

(ii) matte- 85% of the international price of the refined mineral contained therein.

(c) in the case of gold, invoice value as determined from time to time by Fidelity Printers and Refineries;

(c) in the case of diamonds and all other minerals, the invoice value as determined by the Minerals Marketing Corporation of Zimbabwe.”.