

Chapter 23:06

INCOME TAX ACT

Acts 5/1967; 13/1996; 17/97, 23/1997; 29/1998; 9/99, 14/99, 17/99, 21/99, 22/1999; 6/00, 18/2000; 22/01, 27/2001; 15/2002; 10/2003; 16/04, 18/04, 29/2004; 2/05, 8/05, 11/2005; 6/06, 12/2006; 8/07, 16/2007; 3/09, 5/09, 10/09, 11/2009; 3/10, 5/2010; 8/11, 9/2011; 4/12, *6/2012; 1/14, 8/14, 11/2014; 8/15, 9/2015; 2/2017; 1/18, 12/2018; 1/19, 7/19, 13/2019; 8/20, 10/2020; 7/2021; 8/22, 10/2022; 13/2023; 1/24 and 2/2024.

Editor's CAVEAT see the definition of " *Year of assessment for 2024*" in [section 2](#).

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AN ACT to provide for the taxation of incomes and for other taxes; and to provide for matters incidental thereto.

[Date of commencement: 1st April, 1967.]

PART I
PRELIMINARY

1 Short title

This Act may be cited as the [Income Tax Act \[Chapter 23:06\]](#).

2 Interpretation

(1) In this Act—

“affiliate”, in relation to a petroleum operator, has the meaning given by [subsection \(4\) of section thirty-two](#);

“agent” includes—

- (a) any partnership or company or any other body of persons, corporate or unincorporate, when acting as an agent; and
- (b) any person declared by the Commissioner to be the agent of some other person for the purposes of this Act;

“amount”, for the purposes of the provisions of this Act relating to the determination of the gross income, income or taxable income, as defined in [subsection \(1\) of section eight](#), of a person, means—

- (a) money; or
- (b) any other property, corporeal or incorporeal, having an ascertainable money value;

BB v COT [78-ITC-1272](#)
M Coy (Pvt) Ltd v Zimra [21-SC-098](#)

“accrued”, “paid”, “received” or any cognate expression shall, in so far as it applies to an amount as defined in paragraph (b), be construed in a sense correlative with that in which it is construed when it applies to money;

A.T.S. Schools v Zimra [17-SC-061](#)

“approved employee share ownership trust” means an arrangement embodied in a notarised trust deed which satisfies the Commissioner that its dominant purpose or effect is to enable employees of a company or group of companies to participate in or receive profits or income arising from the acquisition, holding, management or disposal of the stock, shares, debentures or any property, including money, of the company or group of companies concerned where—

- (a) the stock, shares, debentures and any property, including money, are held in trust for the employees; and
- (b) the arrangement has either or both of the following characteristics—
 - (i) the employees’ contributions, if any, and the profits and income out of which payments are to be made are pooled;
 - (ii) each employee has a right or interest, whether described as a unit or otherwise, in the stock, shares, debentures and any

property, including money, held in trust for the employee, which may be acquired or disposed of under the arrangement ;

Definition inserted by Act 27 of 2001, and amended by Act 15/2002 from 1st January, 2002.
[*Old Mutual Zimbabwe Ltd v Commissioner-General of Zimra & ZIMRA* [16-HH-143](#)]

“assessed loss” means any amount by which the sum of the deductions to be made under Part III of this Act from the income (as defined in Part III) of any taxpayer exceeds such income:

Provided that no amount received by or accruing to the taxpayer under a contract of employment shall be taken into account for the purpose of determining his assessed loss;

“assessment” means the determination by the Commissioner—

Definition substituted by Act 12/2006 w.e.f. 1st January, 2007;
further substituted by section 8 of the Finance Act 8/2022 w.e.f. 24th October, 2022.
JK Motors (Pvt) Ltd t/a Flo Petroleum v ZIMRA [23-HH-336](#)

(a) of any amount upon which any **tax** leviable under this Act is chargeable;

lumped up figures without any explanation by Zimra become meaningless *TL v Zimra* [20-HH-413](#)
-must also give the taxpayer notice that any objection to the assessment shall be lodged within 30 days from the date of the notice *Barclays Bank of Zimbabwe v Zimra* [04-HH-162](#)
The words “*this assessment is subject to an audit*” invalidates it *Nestle Zimbabwe (Pvt) Ltd v Zimra* [21-SC-148](#)
Quaere; can Zimra garnishee bank accounts to recover **mining royalties** -which are not a tax - before doing an assessment ?. *Unki Mines P/L v ZIMRA & Stanbic Bank* [22-HH-729](#)
Invalid because raised on gross not taxable income- remedy *Paperhole Investments (Pvt) Ltd v ZIMRA & 2 Ors* [24-HH-149](#)

or

(b) of the **credits** to which a person is entitled in terms of the Charging Act; or

(c) of any **assessed loss** ranking for deduction;

and includes a self-assessment in terms of [section thirty-seven A](#) ;

If ZIMRA raises queries/adjusts that self-assessment once accepted, then it becomes a **final** assessment. *Nestle Zimbabwe (Pvt) Ltd v Zimra* [21-SC-148](#)

“associate” has the meaning in [section twoA](#);

Definition inserted by Act 1 of 2014 with effect from the 1st January, 2014.

“beneficiary with a vested right”, in relation to income the subject of a trust created by a trust instrument, means a person named or identified in the trust instrument who has at the time the income is derived an immediate certain right to the present or future enjoyment of the income;

“benefit fund”, save as otherwise provided in paragraph 1 of the *First Schedule*, means—

- (a) a scheme or fund approved by the Commissioner in respect of the year of assessment in terms of [subsection \(1\) of section thirteen](#); or
- (b) a fund registered or provisionally registered as a provident fund under the [Pension and Provident Funds Act \[Chapter 24:32\]](#);

“charging Act” means the enactment by which credits and rates of tax are fixed;

“child” includes a step-child and a lawfully adopted child;

“Commissioner”, subject to [section three](#), means—

- (a) the Commissioner in charge of the department of the Zimbabwe Revenue Authority which is declared in terms of the [Revenue Authority Act \[Chapter 23:11\]](#) to be responsible for assessing, collecting and enforcing the payment of the taxes leviable under this Act; or
- (b) the Commissioner-General of the Zimbabwe Revenue Authority, in relation to any function which he has been authorized under the [Revenue Authority Act \[Chapter 23:11\]](#), to exercise;

“company” includes any association wheresoever incorporated;

Zimbabwe Revenue Authority v FC Platinum [22-SC-044](#)

“credit” means a credit to which [paragraph \(c\) of section seven](#) relates;

“export processing zone” means any part of Zimbabwe declared in terms of the *Export Processing Zones Act to be an export processing zone;

Editor’s note - the *EPZ Act was replaced w.e.f. 1st January, 2007 by the now current Zimbabwe Investment & Development Agency Act [Chapter 14:38](#)

“family taxpayer”

X v COT [80-ITC-1323](#)

“farmer” means any person who derives income from pastoral, agricultural or other farming activities, including any person who derives income from the letting of a farm used for such purposes, and **“farming operations”** and **“farming purposes”** shall be construed accordingly;

Intention to trade as a farmer *GG v COT* [76-ITC-1258](#)

“Farmer 3” v COT [80-ITC-1324](#)

“Farmer 2” v COT [82-ITC-1373](#)

“Farmer” v COT [86-ITC-1424](#)

ITC No 1324 (1980) 42 SATC

H v Commissioner of Taxes 1980 ZLR 518

ITC No 1177 (1972) 34 SATC 147

“holder”, in relation to a special mining lease, means—

- (a) any person to whom the special mining lease has been issued or transferred under the [Mines and Minerals Act \[Chapter 21:05\]](#); *or

The *word “or” was omitted in the 1996 Revised Edition, which should have included it as having been inserted by section 4 of the Finance (No.2) Act 23 of 1995 w.e.f. the 23rd February, 1996- Editor

- (b) any person who is a **tributor** under a tribute agreement approved in terms of the [Mines and Minerals Act \[Chapter 21:05\]](#) in relation to all or part of the special mining lease area;

and, in relation to a year of assessment, includes a person who is or was such a holder at any time in that year;

“income derived from mining operations” means income derived from a particular mining location;

Definition inserted by Act 18/2000 from 1 January 2001.

“income from trade and investment”, in the case of income received by or accruing to a person other than a company or trust, means any part of the income of such person which is received by or accrues to him from any trade, investment or other activities, but does not include income from employment;

Definition inserted by Act 18/2000 from 1 January 2001.
warden of game park selling trophies as “a hobby” *E v COT* 89-ICT-1510.

“income the subject of a trust to which no beneficiary is entitled” means income the subject of a trust created by a trust instrument which—

- (a) is not paid to or applied to the benefit of—

- (i) a beneficiary with a vested right; or
- (ii) a person who would but for—

A. the conferment on the trustee by the trust instrument of a discretion so to pay or apply the income; and

B. the happening of some event stipulated in the trust instrument other than the exercise of that discretion;

be a beneficiary with a vested right;

or

- (b) is not income deemed by virtue of [section ten](#) to have been received or have accrued to or in favour of the person by whom the trust instrument was made; or

- (c) is not accumulated in terms of the trust instrument for the future benefit of a beneficiary with a vested right;

“individual” means a person other than a company;

“industrial park” means any premises or area which is approved by the Minister by statutory instrument and in which 2 or more persons, independently of the industrial park developer, carry on the business of—

- (a) manufacturing or processing goods for export from Zimbabwe; or
- (b) manufacturing or processing components of goods which are intended for export from Zimbabwe;

“industrial park developer” means a person who owns and maintains an industrial park;

“insolvency” and **“insolvent”** shall be construed in accordance with any law relating to insolvency and as including an assignment with creditors made in terms of that law;

“investment licence” for the purposes of this Act, means an investment licence issued in terms of the [Zimbabwe Investment and Development Agency Act \[Chapter 14:38\]](#) to a licensed investor with a qualifying degree of export-orientation, and **“licensed investor”** shall be construed accordingly;

Definition substituted by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020.

“law” means an enactment as defined in the [Interpretation Act \[Chapter 1:01\]](#);

“lawful minor child”, in relation to a taxpayer, means a lawful child of the taxpayer who—

- (a) was under the age of 17 years on the last day of the immediately preceding year of assessment; or
- (b) is born in the year of assessment; or
- (c) was under the age of 25 immediately prior to the commencement of the year of assessment and receives during any part of the year of assessment full-time instruction as a student at any educational institution;

“LIBOR” means the London Interbank Offered Rate referred to in [section ninety-sevenB\(2\)](#) and [\(3\)](#);

Inserted by section 8 of Act 5/2009 w.e.f. the 30th September, 2009;
corrected by the Editor to refer to 97B and not 97A.

“licensed investor” means the holder of an investment licence, **other than** the holder of such a licence whose licensed activity is mining;

Definition substituted by Finance (No. 2) Act 10 of 2022 gazetted on 30th December, 2022 excluding mining activity.

“local authority” means—

- (a) a city or municipal council, town council, local board or rural district council; or

- (b) any body declared by the President to be a local authority for the purposes of the [Interpretation Act \[Chapter 1:01\]](#) which is not a body or authority referred to in paragraph (a);

“marriage” means—

- (a) a marriage solemnized within Zimbabwe in accordance with any law relating to the solemnization of marriage; and
- (b) a marriage solemnized outside Zimbabwe in accordance with the laws or customs relating to the solemnization of marriage of the country in which the marriage is solemnized;

the [Customary Law Marriages Act \[Chapter 5:07\]](#) was replaced by the [Marriages Act \[Chapter 5:17\]](#) on the 16th September, 2022-editor

- (c) a marriage contracted according to customary law, notwithstanding that the marriage may not have been celebrated or solemnized in terms of any law relating to marriage:

and **“married”**, **“husband”** and **“wife”** shall be construed accordingly;

“married woman” means a woman married with or without community of property who is not a woman referred to in paragraph (c), (d) or (e) of the definition of **“spouse”**;

“medical aid society” means any society or scheme which is approved by the Commissioner in respect of the year of assessment in question in terms of [subsection \(2\) of section thirteen](#);

“mineral” includes any valuable crystalline or earthy substance forming part of or found within the earth’s surface and produced or deposited there by natural agencies, including —

Definition substituted by Finance (No.2) Act 7/2019 gazetted on the 21st August, 2019 w.e.f. 1st August, 2019.

- (a) cut or uncut dimensional stone subjected to tax on the exportation of uncut and cut dimensional stone in terms of [section 12E of the Value Added Tax Act \[Chapter 23:12\]](#);

but does **not** include —

- (b) petroleum; or
- (c) any clay (other than fire-clay), gravel, sand, stone (other than limestone or stone referred to in paragraph (a) or other like substance ordinarily won by the method of surface working known as quarrying;

“mining location” means a mining location registered as such in terms of the [Mines and Minerals Act \[Chapter 21:05\]](#);

Inserted by Act 18/2000 from 1st January 2001

“mining operations” means—

- (a) any operations for the purpose of winning a mineral from the earth; and
- (b) any operations for the purpose of winning a mineral from any substance or constituent of the earth which are carried on in conjunction with operations referred to in paragraph (a) by the person carrying on those operations; and
- (c) such operations for the purpose of winning a mineral from any substance or constituent of the earth which are not carried on in conjunction with operations referred to in paragraph (a) or by a person carrying on those operations as the Commissioner may determine to be mining operations for the purposes of this Act;

and **“mine”**, whether used as a noun or a verb, shall be construed accordingly;

“Minister” means the Minister of Finance or any other Minister to whom the President may, from time to time, assign the Administration of this Act;

Administration assigned to the Minister of Finance, Economic Development and Investment
Promotion by SI 197/2023 w.e.f. 20th October, 2023.

“minor child” means a child who is under **18 years** of age and is unmarried;

“near relative” means—

- (a) a lineal ascendant of an individual, including a step-father or step-mother; or
- (b) a child or a lineal descendant of an individual other than a child; or
- (c) a brother, half-brother, step-brother, sister, half-sister, step-sister, uncle, aunt, nephew or niece of an individual; or
- (d) the adopter or adopters of an individual; or
- (e) the spouse of a relative of an individual referred to in paragraphs (a) to (d);

“nominee”, in relation to an individual, means a person who—

- (a) holds shares in a company, directly or indirectly, on behalf of the individual; or
- (b) can be required to exercise voting powers in the affairs of a company in accordance with the directions of the individual;

“parent” includes a person liable at law to maintain a child;

“pension fund” means—

- (a) a fund established by any law for the purpose of providing, amongst other things, annuities or pensions on superannuation or retirement; or
- (b) a fund registered or provisionally registered as a pension fund or retirement annuity fund under the [Pension and Provident Funds Act \[Chapter 24:32\]](#);

“period of assessment” means any period within the year of assessment in respect of which tax is to be charged, levied or collected in terms of this Act;

“person” includes a company, body of persons corporate or un-incorporate (not being a partnership), local or like authority, deceased or insolvent estate and, in relation to income the subject of a trust to which no beneficiary is entitled, the trust;

includes a non-resident entity *Mota Engenhari Construction SA v Zimra* [22-SC-115](#)

“petroleum” means any naturally occurring hydrocarbon or any naturally occurring mixture of hydrocarbons, whether in a gaseous, liquid or solid state, and includes crude oil and natural gas but does not include hydrocarbons obtained from coal by destructive distillation or in any other way;

“petroleum agreements” means an agreement between the Government and any person to whom a petroleum special grant has been or is to be issued, incorporating terms and conditions of that grant;

“petroleum operations” means—

- (a) exploration in Zimbabwe with a view to detecting the existence of deposits of petroleum;
- (b) the appraisal of reservoirs, the preparation of wells for production, the development of producing facilities and the extraction of petroleum, whether or not those operations are carried on in conjunction with operations such as are referred to in paragraph (a), and any preliminary treatment of such petroleum for the purpose of purification and stabilization of the petroleum extracted in order to facilitate transport of such petroleum from the site of the petroleum operations;
- (c) the disposal of petroleum obtained from operations referred to in paragraph (b);

“petroleum operator” means a person that is, for the purposes of Part XX of the [Mines and Minerals Act \[Chapter 21:05\]](#), the grantee of a petroleum special grant and, in relation to a year of assessment, includes a person who was or is such a grantee at any time in that year;

“petroleum special grant” means a special grant issued under Part XX of the [Mines and Minerals Act \[Chapter 21:05\]](#) authorizing the grantee to win petroleum on terms and conditions included in the grant pursuant to a petroleum agreement;

“prescribed” means, unless otherwise provided, prescribed by the Commissioner;

“previous law” means the Income Tax Act, 1954 (No. 16 of 1954), or a law repealed by that Act;

[“private business corporation” means a private business corporation incorporated under the [Private Business Corporations Act \[Chapter 24:11\]](#)

Repealed by the Companies and Other Business Entities Act [Chapter 24:31](#) w.e.f. 13/2/2020 – Editor.

“qualifying degree of export-orientation”, as characterising a licensed investor, means that the licensed investor **exports all** of its goods and services;

Definition inserted by Finance Act 2 of 2017 gazetted on 23rd March, 2017 backdated to the 1st January, 2017.

“recoupment from capital expenditure” means any amount accruing to a person from the sale or other disposal of or damage to or destruction of—

- (a) an asset ranking for a redemption allowance in accordance with paragraph 2, 3 or 4 of the *Fifth Schedule* or the corresponding provisions of a previous law; or
- (b) an asset in respect of which a deduction has been allowed to the person in accordance with paragraph 6 of the *Fifth Schedule* or the corresponding provisions of a previous law;

but in the case of any amount accruing from damage to or destruction of such asset does not include such portion thereof as is in excess of the original cost of such asset;

“retirement annuity fund” means a fund registered or provisionally registered as a retirement annuity fund under the [Pension and Provident Funds Act \[Chapter 24:32\]](#);

“return” includes a self-assessment return;

Inserted by Act 12/2006 from 1st January, 2007.

“securities” means—

- (a) stocks or securities, including bonds and Treasury bills, issued by any government, local authority or statutory corporation or like authority or body, whether situated inside or outside Zimbabwe; and
- (b) debentures or debenture bonds; and
- (c) mortgages or notarial bonds; and
- (d) loans or deposits; and
- (e) shares issued by any building society; and
- (f) stocks or shares issued by any company;

and for the purposes of the *Eighth Schedule* includes any other stocks or shares and rights in immovable property;

“self-assessment return” means a return rendered in terms of [section thirty-seven A](#);

Inserted by Act 12/2006 from 1st January, 2007.

“Special Court” means the Special Court for Income Tax Appeals established by [subsection \(1\) of section sixty-four](#);

“special economic zone” means any part of Zimbabwe declared in terms of the [Zimbabwe Investment and Development Agency Act \[Chapter 14:38\]](#);

Definition substituted by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020.

“special mining lease” means a special mining lease issued under Part IX of the [Mines and Minerals Act \[Chapter 21:05\]](#);

“special mining lease agreement” means an agreement between the Government and the holder of a special mining lease, entered into in terms of [section 167 of the Mines and Minerals Act \[Chapter 21:05\]](#);

“special mining lease area” means the area covered by a special mining lease;

“special mining lease operations” means any mining operations, or exploration operations or development operations as defined in paragraph 1 of the *Twenty-Second Schedule*, carried out in or in relation to a special mining lease area pursuant to the special mining lease;

“spouse” does not include—

(a) a husband who is separated from his wife under a judicial order or written agreement of separation; or

(b) a husband who—

(i) is living apart from his wife; and

(ii) is not wholly maintaining his wife;

or

(c) a wife who is separated from her husband under a judicial order or written agreement of separation; or

(d) a wife who—

(i) is living apart from her husband; and

(ii) is not wholly maintained by her husband; or

(e) in the case of a polygamous marriage, a wife, other than the first wife, who is living with and wholly maintained by her husband;

“statutory corporation”—

- (a) means a body, other than a private society, incorporated by or in terms of a law for special purposes specified in or under the law; and
- (b) includes any other body or association specified in subparagraphs (b) to (d) of paragraph 1 of the *Third Schedule*;

“tax” means any tax or levy leviable under this Act;

“tax clearance certificate” means a valid tax clearance certificate issued to a person by or on behalf of the Commissioner-General under [section 34C \(1\) \(a\), \(b\), \(c\) or \(d\) of the Revenue Authority Act \[Chapter 23:11\]](#);

Inserted by Act 2 of 2005 from 12th September, 2005.

“taxpayer”—

- (a) means any person in respect of whom an assessment is made; and
- (b) includes, for the purposes of any provision of this Act relating to a return, any person who is required in terms of this Act to furnish a return;

“trade” includes any profession, trade, business, activity, calling, occupation or venture, including the letting of any property, carried on, engaged in or followed for the purposes of producing income as defined in [subsection \(1\) of section eight](#) and anything done for the purpose of producing such income;

trotting horses- 'JA' v COT 92-1TC-1645.

Matching expenses thus incurred *Deb (Pvt) Ltd v Zimra* [19-HH-664](#)

“trade mark” means a trade mark as defined in [section 2 of the Trade Marks Act \[Chapter 26:04\]](#);

“trading stock” includes—

- (a) goods and other property of any description, including livestock, which are acquired, manufactured, produced, bred, constructed or improved in the ordinary course of trade for the purposes of disposal in the ordinary course of trade;

Debentures in investment company *T v CoT* [78-HS-003](#)

and

- (b) goods and other property of any description, including livestock—
 - (i) which are acquired in the ordinary course of trade for the purposes of or in connection with the manufacture, production, breeding, construction or improvement of goods or other property of any description, including livestock; and

- (ii) the expenditure on which is allowable as a deduction in terms of [paragraph \(a\) of subsection \(2\) of section fifteen](#);

and

- (c) goods and other property of any description referred to in paragraph (b), other than livestock, which, at the end of the year of assessment, are partially manufactured, produced, constructed, improved, consumed or used; and
- (d) advertising, packing or other materials, the acquisition, manufacture or production of which is incidental to the disposal in the ordinary course of trade of goods or other property of any description, including livestock; and
- (e) goods and other property of any description of a person, including livestock, which—
 - (i) are acquired by that person otherwise than in the ordinary course of his trade; and
 - (ii) are brought to hand or otherwise appropriated or allocated by that person for the purposes of or in connection with his trade; and
 - (iii) would have been **“trading stock”** as defined in paragraph (a), (b), (c) or (d) had they been acquired in the ordinary course of the trade of that person;

“trust instrument” means a deed, will, contract of settlement or other disposition, including a verbal declaration, by which a trust is created;

“trustee” includes—

- (a) the administrator or executor of a deceased estate; and
- (b) the trustee or assignee of an insolvent estate; and
- (c) the liquidator or judicial manager of a company which is being wound up or is under judicial management; and
- (d) the legal representative of any individual under a legal disability or other person having, whether in an official or private capacity, the possession, disposal, control or management of the property of an individual under a legal disability; and
- (e) the person having the administration or control of property subject to a usufruct, *fidei commissum* or other limited interest;

and **“trust”, “property the subject of a trust”** and “income the subject of a trust” shall be construed accordingly;

“year of assessment” means the period of **12 months** beginning on the 1st January in any year in respect of which tax is to be charged, levied and collected in terms of this Act; and includes any period within such a year of assessment:

Provided that—

- (i) for the period before the 1st April, 1997, a year of assessment shall be the period of 12 months beginning on the 1st April in any year;
- (ii) the 9-month period beginning on the **1st April, 1997**, and ending on the 31st December, 1997, shall constitute a year of assessment.
- (iii) the year of assessment beginning on the **1st January, 2004**, consists of the following 2 periods, each of which shall be deemed for all purposes of this Act to be a year of assessment—
 - A. the 8-month period beginning on the 1st January, 2004, and ending on the 31st August, 2004;
 - B. the 4-month period beginning on the 1st September, 2004, and ending on the 31st December, 2004.
- (iv) the year of assessment beginning on the **1st January, 2005**, in respect of the taxable income from employment of a person other than a company, a trust or a pension fund, consists of the following 2 periods, each of which shall be deemed for all purposes of this Act to be a year of assessment—
 - A. the 8-month period beginning on the 1st January, 2005, and ending on the 31st August 2005;
 - B. the 4-month period beginning on the 1st September, 2005, and ending on the 31st December, 2005.

Proviso (iii) inserted by Act 18 of 2004 from the 5th November, 2004;
amended by Act 2 of 2005 from 12th September, 2005 which also inserted proviso (iv).

- (v) the year of assessment beginning on the 1st January, 2006, in respect of the taxable income from employment of a person other than a company, a trust or a pension fund, consists of the following 2 periods
 - A. the 8-month period beginning on the 1st January, 2006, and ending on the 31st August, 2006;
 - B. the 4-month period beginning on the 1st September, 2006, and ending on the 31st December, 2006

Proviso (v) inserted by Act 6 of 2006.

- (vi) the year of assessment beginning on the 1st January, 2007, in respect of the taxable income from employment of a person other than a company, a trust or a pension fund, consists of the following 3 periods

- A. the **6-month** period beginning on the 1st January, 2007, and ending on the 30th June, 2007;
- B. the **2-month** period beginning on the 1st July, 2007, and ending on the 31st August, 2007;
- C. the **4-month** period beginning on the 1st September, 2007, and ending on the 31st December, 2007;

Proviso (vi) inserted by *SI 136 of 2007* which expired on the 28th December, 2007- confirmed by the Finance (No.2) Act No.16 of 2007, which created a **third** period for the 2007 tax year – as will be seen from the proviso(xi) to the definition of “*gross income*” in [section 8\(1\)](#) para (f)II below - Editor .

- (vii) the year of assessment beginning on the **1st January, 2019**, in respect of the taxable income from employment of a person **other than** a company, a trust or a pension fund, consists of the following two periods —
 - A. the 7-month period beginning on the 1st January, 2019, and ending on the 31st July, 2019;
 - B. the 5-month period beginning on the 1st August, 2019, and ending on the 31st December, 2019.

Proviso (vii) inserted by Act 13/2019 which created a third period for this 2019 year – Editor.

- (viii) the year of assessment beginning on the **1st January, 2020**, in respect of the taxable income from employment of a person **other than** a company, a trust or a pension fund, consists of the following two periods—
 - A. the 7-month period beginning on the 1st January, 2020, and ending on the 31st July, 2020;
 - B. the 5-month period beginning on the 1st August, 2020, and ending on the 31st December, 2020.

Proviso (viii) inserted by section 9 of Act 8/2020 gazetted on the 28th October, 2020 which created a second period for this 2020 year – Editor.

- (ix) the year of assessment beginning on the **1st January, 2022**, in respect of the taxable income from employment of a person **other than** a company, a trust or a pension fund, consists of the following 2 periods—
 - A. the 7-month period beginning on the 1st January, 2022, and ending on the 31st July, 2022;
 - B. the 5-month period beginning on the 1st August, 2022, and ending on the 31st December, 2022.

Proviso (ix)-not (viii) as gazetted, inserted by sect 8 of Finance Act 8/2022 gazetted on 24th October, 2022.

(x) the year of assessment beginning on the **1st January, 2024**, in respect of the taxable income from employment of a person **other than** a company, a trust or a pension fund, consists of the following 2 periods—

A. period beginning on the 1st January, 2024, and ending on the **4th April, 2024**;

B. the period beginning on the ***5th April, 2024**, and ending on the **31st December, 2024**.

Proviso (x)-not (ix) as gazetted, inserted by sect 8 of Finance Act 2 of 2024 gazetted on 28th October, 2024

CAVEAT – *SUBJECT to the ZIG becoming lawful currency on the 5th April, 2024 _Editor .

“Zimbabwe Revenue Authority” means the Zimbabwe Revenue Authority established by [section 3 of the Revenue Authority Act \[Chapter 23:11\]](#).

(2) For the purposes of this Act —

(a) a company shall be deemed to be under the control of a person if the majority of the voting rights attaching to all classes of shares in the company is controlled, directly or indirectly, by the person; and

(b) a person and his nominee shall be deemed to be one person.

(3) For the purposes of this Act—

(a) a **deceased** estate shall be treated as ordinarily resident in Zimbabwe if the deceased person at the time of his death was ordinarily resident in Zimbabwe; and

(b) an **insolvent** estate shall be treated as ordinarily resident in Zimbabwe if the insolvent person at the time he was adjudged or otherwise declared insolvent was ordinarily resident in Zimbabwe; and

(c) a **trust** shall, in relation to income the subject of the trust to which no beneficiary is entitled, be treated as ordinarily resident in Zimbabwe if—

(i) part of the income subject to the trust is derived from sources in Zimbabwe or the trustee is ordinarily resident in Zimbabwe; and

(ii) the person by whom the trust instrument was made was ordinarily resident in Zimbabwe at the time he made the trust instrument.

2A When persons deemed to be associates

[Sections 2A](#) and [2B](#) inserted by Act 1 of 2014 w.e.f. the 1st January, 2014.

(1) Where a person, **other than** an employee, acts in accordance with the directions, requests, suggestions or wishes of another person, whether or not the persons are in a business relationship and whether or not those directions, requests, suggestions or wishes are communicated to the first-mentioned person, both persons shall be treated as associates of each other for the purposes of this Act.

(2) Without limiting the generality of [subsection \(1\)](#), the following shall be treated as a person's associate—

- (a) a **near relative** of the person, unless the Commissioner is satisfied that neither person acts in accordance with the directions, requests, suggestions or wishes of the other;
- (b) a **partner** of the person, unless the Commissioner is satisfied that neither person acts in accordance with the directions, requests, suggestions or wishes of the other;
- (c) a **partnership** in which the person is a partner, if the person, either alone or together with 1 or more associates, controls **50% or more** of the rights to the partnership's income or capital;
- (d) the **trustee** of a trust under which the person, or an associate of the person, benefits or may benefit;
- (e) a **company** which is controlled by the person, either alone or together with 1 or more associates;
- (f) where the person is a **partnership**, a partner in the partnership who, either alone or together with 1 or more associates, controls **50% or more** of the rights to the partnership's income or capital;
- (g) where the person is the **trustee** of a trust, any other person who benefits or may benefit under the trust;
- (h) where the person is a company—
 - (i) a person who, either alone or together with one or more associates, controls the company; or
 - (ii) another company which is controlled by a person referred to in subparagraph (i), either alone or together with 1 or more associates.

2B When person deemed to control company

For the purposes of this Act, a person shall be deemed to control a company if the person, either alone or together with 1 or more associates or nominees—

- (a) controls the majority of the voting rights attaching to all classes of shares in the company, whether directly or through one or more interposed companies, partnerships or trusts; or
- (b) has any direct or indirect influence that, if exercised, results in him or her or his or her associates or nominees factually controlling the company.

PART II ADMINISTRATION

3 ...

Repealed by the Finance Act 8/2011 w.e.f. the 16th September, 2011.

Substituted by the Revenue Authority Act [Chapter 23:11](#) with effect from January, 2001 *Refer to [section 51](#) Editor*

5 Preservation of secrecy

(1) All persons who—

- (a) are employed in carrying out the provisions of this Act; or
- (b) examine records under the control or in the custody of the Commissioner in terms of the laws relating to the Civil Service, the collection and safe custody of public moneys and the audit of public accounts;

Civil Service is now referred to as the ***Civil Service** i.t.o. PART I of Act 3 of 2016 w.e.f. 1st July, 2016.

shall, subject to [subsections \(2\),\(3\)](#) and [\(3a\)](#), keep secret, and aid in keeping secret, all information coming to their knowledge in the exercise of their functions.

[Subsection \(1\)](#) amended by the Money Laundering and Proceeds of Crime Amendment Act No.12 of 2018 w.e.f. 20th July, 2018.

(2) No person referred to in [subsection \(1\)](#) shall, except in the exercise of his functions under this Act or unless he is required to do so by order of a competent court—

- (a) communicate information coming to his knowledge in the exercise of his functions to any person who is not—
 - (i) the taxpayer or other person to whom the information relates or by whom the information was furnished; or
 - (ii) the lawful representative of the taxpayer or other person to whom the information relates or by whom the information was furnished; or
 - (iii) a person to whom the provisions of the laws referred to in [paragraphs \(a\) and \(b\) of subsection \(1\)](#) require the information to be communicated;

or

- (b) allow any person who is not a person referred to in subparagraph (i), (ii) or (iii) of paragraph (a) to have access to any record under the control or in the custody of the Commissioner which contains information referred to in that subparagraph.

(3) The Commissioner shall, if he is required to do so by the Minister, inform the Minister of the total amount of taxable income (as defined in [subsection \(1\) of section eight](#)) which, according to the records under the control or in the custody of the Commissioner, accrued during such periods to such classes of persons from such sources as the Minister may specify.

(3a) Where the Commissioner is satisfied that any information is required for the purpose of—

- (a) detecting, investigating or preventing a serious offence; or
- (b) combating money laundering or terrorist financing;

as defined in the [Money Laundering and Proceeds of Crime Act \[Chapter 9:24\]](#), the Commissioner shall disclose that information to the Director-General of the Financial Intelligence Unit established by that Act.

[subsection \(3a\)](#) inserted by the Money Laundering and Proceeds of Crime Amendment Act No.12 of 2018 w.e.f. 20th July, 2018.

(4) All persons referred to in [subsection \(1\)](#) shall, before commencing to exercise the functions conferred or imposed upon them by the laws referred to in paragraphs (a) and (b) of that subsection, take and subscribe before a magistrate, justice of the peace or commissioner of oaths the prescribed oath of secrecy.

(5) Every person who, in contravention of this section or the true intent of the oath of secrecy taken by him and without lawful excuse, reveals to any person whomsoever any matter or thing which has come to his knowledge in the course of his official duties, or suffers or permits any person to have access to any records in the possession or custody of the Commissioner, shall be guilty of an offence and liable to a fine not exceeding level six or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Amended by the Criminal Penalties Amendment Act 22 of 2001, from the 10th September, 2002.

(5a) Any person referred to in [subsection \(1\)](#) who, in the course of his official duties, has acquired information relating to the business or affairs of another person and who uses that information for personal gain, shall be guilty of an offence and liable to a fine not exceeding level ten or to imprisonment for a period not exceeding five years or to both such fine and such imprisonment.

Inserted by the Criminal Penalties Amendment Act 22 of 2001 from the 10th September, 2002.

(6) Any person who acts in the execution of his office before he has taken the oath prescribed in terms of this section shall be guilty of an offence and liable to a fine not exceeding level four.

Penalty increased by Act 18/2000,
amended by the Criminal Penalties Amendment Act 22 of 2001, from the 10th September, 2002,
and further by Act 15/2002 from 30th December, 2002.

PART III

INCOME TAX

6 Levy of income tax

There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund an income tax in respect of the taxable income, as defined in this Part, received by or accrued to or in favour of any person during the year of assessment ending the 31st March, 1968, and each succeeding year of assessment thereafter.

Zimplats v ZIMRA [22-HH-845](#)

7 Calculation of income tax

(1) The income tax with which a person is chargeable shall, subject to [section fifty](#), be calculated in accordance with the charging Act by reference to—

- (a) the taxable income of the person in the year of assessment; and
- (b) the appropriate rates of income tax fixed by the charging Act relating to that year;

See *Gonese I v Minister of Finance and Economic Development* [22-HH-265](#) – Editor.

and

- (c) the credits to which the person is entitled in terms of the charging Act relating to that year.

(2) The tax payable in respect of a self-assessment return shall be calculated in accordance with [subsection \(1\)](#) in respect of each year of assessment during which a taxpayer carried on a trade and is required to submit a self-assessment return in terms of [section thirty-seven A](#).

[Subsection \(2\)](#) inserted by Act 12/2006 from 1st January, 2007.

8 Interpretation of terms relating to income tax

(1) For the purposes of this Part—

“gross income” means the total amount received by or accrued to or in favour of a person or deemed to have been received by or to have accrued to or in favour of a person in **any year** of assessment from a source within or deemed to be within Zimbabwe excluding any amount (not being an amount included in *“gross income”* by virtue of any of the following paragraphs of this definition) so received or accrued which is proved by the taxpayer to be of a capital nature and, without derogation from the generality of the foregoing, includes—

NYS v Zimra 19-HH-517.
any year, including **over 6 years** ago *Deb (Pvt) Ltd v Zimra* [19-HH-664](#)
Delta Beverages (Pvt) Ltd v Zimra [22-SC-003](#)
Zimplats v ZIMRA [22-HH-845](#)

- (a) any amount so received or accrued by way of **annuity** other than that part of that amount which, in the opinion of the Commissioner, represents, in the case of an annuity the right to which was acquired by means of the payment of the annuitant or his spouse of a sum of money or the disposal by the annuitant or his spouse of an asset or by both those means, a return of any part of that sum of money or of the value of that asset in respect of which a deduction or a credit in terms of this Act is not allowable or an abatement, deduction or rebate in terms of a previous law was not allowable;

Provided that, in the case of an annuity on retirement as defined in paragraph 1 of the *First Schedule* the right to which was acquired from the

disposal of any part of a lump sum payment to which reference is made in paragraph 3, 4, 7 or 8 of that *Schedule*, the whole of such annuity shall be included;

- (b) any amount so received or accrued in respect of services rendered or to be rendered, whether due and payable under any contract of employment or service or not, and any amount so received or accrued by reason of the cessation of the employment or service of a person other than a benefit (not being a pension or gratuity) received or accrued by reason of contributions made to the Consolidated Revenue Fund, and any amount so received or accrued in commutation of amounts due under a contract of employment or service:

Provided that—

- (i) ...

proviso (i) repealed by Finance Act 15/2002 from 1 January, 2003.

- (ii) an amount paid to an employee when proceeding on leave shall be deemed to accrue and to be paid proportionately on the last day of each month during the continuance of the period of leave;
- (iii) any portion of any amount paid by an employer to an employee by way of compensation for leave due but not taken or by reason of the cessation of the employment or service of such employee or in commutation of an amount due under a contract of employment or service or when proceeding on leave which, under any previous law, fell to be apportioned over a number of years of assessment, shall for the purposes of this Act be included in gross income as though the relevant provisions of such previous law were still in force;
- (iv) any amount so received or accrued in the year of assessment ending on the 31st March, 1974, or any subsequent year of assessment which is paid or payable to a member of the Police Force or of the Regular Force of the Army or Air Force by way of a re-engagement or extended service gratuity shall, notwithstanding [section seven](#), be charged to tax in such manner and at such rates as may be fixed by the charging Act relating to the year of assessment in which such amount was received or accrued;
- (c) any amount so received by or accrued to a person by reason of his withdrawal from or the winding up of a benefit or pension fund or an unapproved fund (as defined in the *First Schedule*) or any

amount so received by or accrued to a person which is a benefit (not being a pension or gratuity) received or accrued by reason of contributions to the Consolidated Revenue Fund which is not—

- (i) an amount referred to in paragraph (a) or (b); or
- (ii) an amount received or accrued by way of a lump sum payment to which the *First Schedule* relates;
- (iii) an amount which, in the Commissioner's opinion, represents a return or repayment of any money in respect of whose payment a deduction was not allowable in terms of this Act or a previous law:

Provided that any amount so received or accrued shall, notwithstanding [section seven](#), be charged to tax in such manner and at such rates as may be fixed by the charging Act relating to the year of assessment in which such amount was received or accrued;

- (d) any amount so received or accrued from another person as a premium or like consideration paid by such other person—

-i.e. the additional payment of a royalty on top of the licence fees -*SDC Ltd (2) v Zimra* [21-HH-338](#)

- (i) for the right of use or occupation of land or buildings; or

P v Commissioner of Taxes [82-ITC-1372](#)

- (ii) for the right of use of plant or machinery; or
 - (iii) for the right of use of any patent, design, trade mark, copyright, model, plan, secret process or formula or any other property which, in the opinion of the Commissioner is of a similar nature; or
 - (iv) for the right of use of any motion picture film or television film, sound recording or advertising matter connected with such film or recording; or
 - (v) for the imparting of or the undertaking to impart any knowledge directly or indirectly connected with the use of any such plant or machinery, patent design, trade mark, copyright, model, plan, secret process or formula or other property as aforesaid, film, sound recording or advertising matter;
- (e) in the case of any person to whom, in terms of any agreement relating to the grant to any other person of the right of use or occupation of land or buildings or by the cession or assignment of any rights under any such agreement, there has accrued in any such year the right to have improvements affected on the land or to the buildings by any other person—

- (i) the amount stipulated in the agreement as the value of the improvements or as the amount to be expended on improvements; or
- (ii) if no amount is so stipulated, an amount representing, in the opinion of the Commissioner, the fair and reasonable value of the improvements;

and, in either case, any such amount shall be deemed to have accrued to such first-mentioned person from the date such improvements were effected, in equal monthly instalments over the unexpired period of such agreement, cession or assignment, as the case may be, or over a period of **10 years**, whichever is the less:

Provided that—

(i) all instalments which have not in any year of assessment formed part of the gross income of such first-mentioned person in terms of this paragraph immediately before the date of the happening of the first of any of the following events, shall be deemed to have accrued to him immediately before that date—

- A. the cancellation of such agreement, cession or assignment; or
- B. the sale or other disposal of the land or buildings on which the improvements were effected; or
- C. the death or insolvency of such first-mentioned person or, if such first-mentioned person is a company, the liquidation of the company;

(ii) in any case where such agreement is for an initial period which may be extended or renewed for a further period or periods, the period of such agreement shall be deemed to be the initial period only;

(iii) in any case where such agreement is silent or indefinite as to the period of use or occupation, the period of such agreement shall be deemed to be a period of **10 years**;

(iv) any portion of any instalments which, under any previous law, fell to be apportioned over a number of years of assessment shall, for the purposes of this Act, be included in gross income as though the relevant provisions of such previous law were still in force;

- (f) an amount equal to the value of an advantage or benefit in respect of employment, service, *office or other gainful occupation or in

connection with the taking up or termination of employment, service, office or other gainful occupation:

payments during termination period ? Restraint of trade *H v COT* [89-ITC-1512](#)
directors loans *Zacks.E v COT* [93-HB-104](#)
*director/employee living in own flat “Fringe benefits” v *COT* [93-ITC-1590](#)
-value of shares at date option exercised *Barclays Bank Ltd v ZIMRA* [06-SC-031](#)- –
-concessionary school fees paid by parents employed by the school *A.T.S. Schools v Zimra* [16-HH-314](#): on appeal [17-SC-061](#)
-meals for employees *LFCZ Ltd v Zimra* [19-HH-164](#)
-“employees business purposes test “ used for canteen meals provided in a bakery *IAB Company v Zimra* [22-HH-032](#)
- “ “ used for lunch packs provided only to shift workers in an exclusive mining village *Zimplats v Zimra* [23-SC-016](#)

Provided that—

- (i) an amount equal to the value of the grant of a passage benefit as defined in subparagraph (i) of paragraph (a) of the definition of that term in this paragraph shall not be included in the gross income of an employee if no other passage benefit as defined in that subparagraph has been granted to the employee by the same employer;
- (ii) an amount equal to the value of the grant of a passage benefit as defined in subparagraph (ii) of paragraph (a) of the definition of that term in this paragraph shall not be included in the gross income of an employee if no other passage benefit as defined in that subparagraph has been granted to the employee by the same employer.

For the purposes of this paragraph—

Paragraph (f)I – Editor .

SUBPARA I

“advantage or benefit”—

Definition substituted by Finance Act 7/2021 gazetted on the 31 December, 2021 w.e.f. year of assessment beginning **1st January, 2022.**

(a) means—

- (i) board; or
- (ii) the occupation of quarters or of a residence;

O v Commissioner of Taxes [82-ITC-1374](#)

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;

directors loans *Zacks.E v COT* [93-HB-104](#)

or

- (v) an allowance; granted to an 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 an amount is not paid by the employee, his spouse or child in respect of its grant;

-meals for employees *LFCZ Ltd v Zimra* [19-HH-164](#)
consumed as lunches provided for employees on shift in a big mining village *Zimplats v Zimra* [23-SC-016](#)]

and

- (vi) **30%** 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**;

Subpara (vi) inserted by section 9 of the Finance Act 7/2021 gazetted on the 31st December 2021 w.e.f. 1st January 2022.

- (vii) in the case of a member of the teaching or non-teaching **staff** of a “school” as defined in the [Education Act \[Chapter 25:04\]](#), the waiver of the whole or any portion of the amount of tuition fees, levies and boarding fees (hereinafter called a “**school benefit**”) that would otherwise be payable by the member of staff for any child of his or hers (not exceeding 3 children) who is a student at that or another school:

Provided that only half of the cost to the employer of the school benefit shall be included in the gross income of the member of staff concerned.

Subpara (vii) inserted by section 9 of Finance Act 8/2022 gazetted on the 24th October, 2022; w.e.f. the year of assessment beginning on the 1st January, 2022.

- (b) includes a **passage** benefit;

“advantage or benefit”—

ONLY FOR THE YEARS ENDED 31ST DECEMBER, 2021
– republished below for historical purposes -Editor

(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;

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or

- (v) an allowance; or
- (vi) in the case of an employee who is a member of the teaching or non-teaching staff of a “*school*” as defined in the [Education Act \[Chapter 25:04\]](#), the waiver of the whole or any portion of the amount of tuition fees, levies and boarding fees (hereinafter called a “**school benefit**”) that would otherwise be payable by employee for any child of his or hers who is a student at that or another school;

subpara (vi) inserted by Act 6 of 2012 w.e.f. 1st January, 2013.
Discussed in *A.T.S. Schools v Zimra* [16-HH-314](#) and [17-SC-061](#)
-meals for employees *LFCZ Ltd v Zimra* [19-HH-164](#)

granted to an 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 an amount is not paid by the employee, his spouse or child in respect of its grant; and

- (b) includes a **passage benefit**; and
- (c) includes any other benefit whatsoever *in lieu* of or in the nature of “**remuneration**” as defined in paragraph 1(1) of the *Thirteenth Schedule*;

Para (c) inserted by section 8 of Act 8/2011 w.e.f. .1st January, 2012

“employee” includes a person who is a director of a company, agent or servant or is otherwise gainfully occupied and **“employer”**, in relation to such person, shall be construed accordingly;

“loan” means any form of loan or credit whatsoever granted directly or indirectly to an employee, his spouse or child by or on behalf of his employer or a person associated with his employer, but does not include any such loan or credit which is proved to the satisfaction of the Commissioner to have been granted for the purpose of the education or technical training or medical treatment of such employee, spouse or child;

“passage benefit” means so much as is borne of the cost or paid by an employer towards the cost of—

- (a) any journey made by an employee, his spouse and children or 1 or more of them—
 - (i) in connection with his taking up of employment, service, office or other gainful occupation; or
 - (ii) on the termination of his employment, service, office or other gainful occupation;

or

- (b) any other journey made by an employee, his spouse and children or 1 or more of them in so far as that journey is not made for the purpose of a business transaction of the employer;

“person associated”, in relation to an employer, means—

- (a) in the case of an employer that is a company, any other company that is managed by or under the same control as the employer; or
- (b) in the case of an employer that is not a company—
 - (i) any company managed by or under the control of such employer; or
 - (ii) any partnership of which such employer is a member;

or

- (c) any person to whom or fund to which the employer makes or has made any contribution, loan or other payment in order that such person or fund may pay or grant pensions, loans or any other amounts whatsoever to or in respect of his employees or their spouses or children;

SUBPARA II

The value of the grant of an advantage or benefit, **other than** a payment by way of an allowance, shall be **determined**—

- (a) in the case of the occupation or use of quarters, residence or furniture, by reference to its **value to the employee**; and
- (b) in the case of any other advantage or benefit, by reference to the **cost to the employer**:

A.T.S. Schools v ZIMRA [17-SC-061](#)

Provided that—

in the case of a loan on which the rate of interest payable by the grantee—

Editor's Note : For brevity's sake , the volumes of legislation **governing** the cost to the employer of **the benefits** of a motor vehicle, in respect of the year of assessment beginning on the **1st January, 2007**, and any subsequent year of assessment, enacted in this [section 8\(1\)\(f\)\(xi\)](#); PARA II since the year ended **31/3/1984** to the year **ended 1999** has been **excised from this Act and archived**, to be supplied upon request to editorial@optimalaw.online.

- (a) during the period beginning on the 1st October, **1984**, and ending on the 31st March, 1985, is less **9.75% per annum**; or
- (b) during the year of assessment beginning on the 1st April, **1985**, is less than **11.5% per annum**; or
- (c) during the years of assessment beginning on the 1st April, 1986, and ending on the **31st March, 1991** is less than—

A. **12½ % per annum**, where the amount of the loan does not exceed zw\$ 12 000; or

B. **13¼ % per annum**, where the amount of the loan exceeds zw\$ 12 000;

or

- (d) during the year of assessment beginning on the 1st April, **1991**, is less than—

A. **13% per annum**, where the amount of the loan does not exceed zw\$ 12 000;

B. **14½ % per annum**, where the amount of the loan exceeds zw\$ 12 000s;

or

- (e) during the year of assessment beginning on 1st April, **1992**, is less than—

A. ten per centum per annum, where the amount of the loan does not exceed thirty-five thousand dollars;

B. twelve per centum per annum, where the amount of the loan exceeds thirty-five thousand dollars;

or

(f) in respect of the years of assessment beginning on the 1st April, **1993** and ending on the 31st **December 2000**, is less than—

A. ten and one-half *per centum*, where the amount of the loan does not exceed thirty-five thousand dollars;

B. fourteen *per centum*, where the amount of the loan exceeds thirty-five thousand dollars;

the cost to the employer in respect of that period or year of assessment shall be deemed to be equal to an amount determined by applying the following formula—

A - B

A — *B* in which—

A. represents the amount of interest that would have been payable on the loan during such period or year of assessment by the person to whom the loan had been granted, had interest been payable by him at the appropriate rate specified in paragraph (a), (b), (c), (d), (e), (f) or (g);

proviso (f) amended by Act 18/2000 from 1st January 2001.

B. represents the amount of interest payable on the loan during such period or year of assessment by the person to whom the loan has been granted;

or

- (g) during the year of assessment beginning on the 1st January, 2001, and any subsequent year of assessment, is less than

proviso (g) inserted by s 9 of Act 18/2000 from 1st January, 2001

A. **12½ % *per annum***, where the amount of the loan does not exceed zw\$ 35 000; or

B. **16% *per annum***, where the amount of the loan **exceeds** zw\$ 35 000;

- (h) during the year of assessment beginning on the 1st January, 2021, and every subsequent year of assessment, is less than the LIBOR rate plus 5%, where the amount of the loan exceeds **US\$100** or **less than 15%** where the amount of the loan exceeds **zwl\$8 000**;

proviso (h) inserted by Act 5/2009 w.e.f. 30th September, 2009;
substituted by the Finance (No.2) Act 10/2020 w.e.f. 1st January, 2021.

- (ii) **in the case of a motor vehicle**, the cost to the employer shall be deemed to be the following in respect of any period before the **31st December, 1998**, unless the person entitled to use the motor vehicle proves the contrary or unless the Commissioner considers such cost to be greater—

proviso amended by Act 29 of 1998 from 1st January, 1999.

- (a) in respect of the years of assessment beginning on the 1st April, 1984, and ending on the 31st March, **1991—**

(i) one thousand five hundred dollars, in the case of a motor vehicle whose engine capacity does not exceed one thousand five hundred cubic centimetres;

(ii) two thousand dollars, in the case of a motor vehicle whose engine capacity exceeds one thousand five hundred cubic centimetres but does not exceed two thousand cubic centimetres;

(iii) three thousand dollars, in the case of a motor vehicle whose engine

capacity exceeds two thousand cubic centimetres;

- (b) in respect of the years of assessment beginning on the 1st April, 1991, and ending on the 31st March, **1997**—

(i) two thousand four hundred dollars, in the case of a motor vehicle whose capacity does not exceed one thousand five hundred cubic centimetres;

(ii) three thousand two hundred dollars, in the case of a motor vehicle whose engine capacity exceeds one thousand five hundred cubic centimetres but does not exceed two thousand cubic centimetres;

(iii) four thousand eight hundred dollars in the case of a motor vehicle whose engine capacity exceeds two thousand cubic centimetres;

and such deemed cost shall be reduced proportionately where the period of use of the motor vehicle is less than the year of assessment;

Para (b) amended by Act 13/1996

- (c) in respect of the period beginning on the 1st April, 1997, and ending on the 31st December, **1997**, 50% of the cost to the employer;

Para (c) substituted by Act 17 of 1997

- (d) in respect of the period beginning on the 1st January, 1998, and ending on the 31st December, **1998**, 75% of the cost to the employer;

- (e)

Para (e) repealed by [section 9\(b\)\(i\)](#)B of Act 29 of 1998 from 1st January, 1999

- (iii) in the case of a motor vehicle, in respect of the year of assessment beginning on the **1st January, 1999**, and any subsequent year of assessment, the cost to the employer shall be deemed to be the following—

Proviso (iii) inserted by section 9(b)(ii) of Act 29 of 1998

- (a) twenty-five thousand dollars, in the case of a motor vehicle whose engine capacity does not exceed one thousand five hundred cubic centimetres;
- (b) forty thousand dollars, in the case of a motor vehicle whose capacity exceeds one thousand five hundred cubic centimetres but does not exceed two thousand cubic centimetres;
- (c) seventy thousand dollars, in the case of a motor vehicle whose capacity exceeds two thousand cubic centimetres but does not exceed three thousand cubic centimetres;
- (d) one hundred thousand dollars, in the case of a motor vehicle whose capacity exceeds three thousand cubic centimetres;

and such deemed cost shall be reduced proportionally where the period of use of the motor vehicle is less than the year of assessment;

- (iv) in the case of a motor vehicle, in respect of the year of assessment beginning on the 1st January, 2000, and ending on the 31st December, 2001 and any subsequent year of assessment, the cost to the employer shall be deemed to be the following—

Proviso (iv) inserted by Act 18/2000 and amended by Act 27 of 2001
--

- (a) forty thousand dollars, in the case of a motor vehicle whose engine capacity does not exceed one thousand five hundred cubic centimetres;
- (b) sixty thousand dollars, in the case of a motor vehicle whose capacity exceeds one thousand five hundred cubic centimetres but does not exceed two thousand cubic centimetres;
- (c) one hundred thousand dollars, in the case of a motor vehicle whose capacity exceeds two thousand cubic centimetres but does not exceed three thousand cubic centimetres;
- (d) one hundred and fifty thousand dollars, in the case of a motor vehicle whose engine capacity exceeds three thousand cubic centimetres;

and such deemed cost shall be reduced proportionally where the period of use of the motor vehicle is less than the year of assessment.

- (v) in the case of a motor vehicle, in respect of the year of assessment beginning on the **1st January, 2002**, and ending on the 31st December, 2002 and any subsequent year of assessment, the cost to the employer shall be deemed to be the following—

Proviso (v) amended by Act 15/2002

- (a) fifty thousand dollars, in the case of a motor vehicle whose engine capacity does not exceed one thousand five hundred cubic centimetres;
- (b) one hundred and fifty thousand dollars, in the case of a motor vehicle whose capacity exceeds one thousand five hundred cubic centimetres but does not exceed two thousand cubic centimetres;
- (c) two hundred and fifty thousand dollars, in the case of a motor vehicle whose capacity exceeds two thousand cubic centimetres but does not exceed three thousand cubic centimetres;
- (d) four hundred thousand dollars, in the case of a motor vehicle whose capacity exceeds three thousand cubic centimetres;

and such deemed cost shall be reduced proportionally where the period of use of the motor vehicle is less than the year of assessment.

- (vi) in the case of a motor vehicle, in respect of the year of assessment *beginning on the 1st January, 2003, and ending on the 31st December, 2003*, the cost to the employer shall be deemed to be the following—

Proviso (vi) inserted by Act 15/2002 and amended erroneously by Act 10/2003 from 1st January, 2004- the dates in italics are corrected by the Law Reviser

- (a) two hundred and forty thousand dollars, in the case of a motor vehicle whose engine capacity does not exceed one thousand five hundred cubic centimetres;
- (b) four hundred and twenty thousand dollars, in the case of a motor vehicle whose capacity exceeds one thousand five hundred cubic centimetres but does not exceed two thousand cubic centimetres;
- (c) five hundred and forty thousand dollars, in the case of a motor vehicle whose capacity exceeds two thousand cubic centimetres but does not exceed three thousand cubic centimetres;

- (d) nine hundred thousand dollars, in the case of a motor vehicle whose capacity exceeds three thousand cubic centimetres;

and such deemed cost shall be reduced proportionally where the period of use of the motor vehicle is less than the year of assessment.

- (vii) in the case of a motor vehicle, in respect of the year of assessment beginning on the **1st January, 2004**, *and ending on the 31st December, 2004*, the cost to the employer shall be deemed to be the following—

Proviso (vii) amended erroneously by Act 29 of 2004 from 1st January, 2005- the dates in italics are corrected by the Law Reviser

- (a) six hundred thousand dollars, in the case of a motor vehicle whose engine capacity does not exceed one thousand five hundred cubic centimetres;
- (b) one million two hundred and sixty thousand dollars, in the case of a motor vehicle whose capacity exceeds one thousand five hundred cubic centimetres but does not exceed two thousand cubic centimetres;
- (c) two million four hundred and eighty thousand dollars, in the case of a motor vehicle whose capacity exceeds two thousand cubic centimetres but does not exceed three thousand cubic centimetres;
- (d) three million three hundred and twelve thousand dollars, in the case of a motor vehicle whose capacity exceeds three thousand cubic centimetres;

and such deemed cost shall be reduced proportionally where the period of use of the motor vehicle is less than the year of assessment;

- (viii) in the case of a motor vehicle, in respect of the year of assessment beginning on the **1st January, 2005**, and any subsequent year of assessment, the cost to the employer shall be deemed to be the following—

Proviso (viii) inserted by Act 10/2003 and wrongly amended by section 6 of Act 8 of 2005

- (a) two million two hundred and eighty thousand dollars, in the case of a motor vehicle whose engine capacity does not exceed one thousand five hundred cubic centimetres;

- (b) four million two hundred thousand dollars, in the case of a motor vehicle whose capacity exceeds one thousand five hundred cubic centimetres but does not exceed two thousand cubic centimetres;
- (c) six million four hundred and eighty thousand dollars, in the case of a motor vehicle whose capacity exceeds two thousand cubic centimetres but does not exceed three thousand cubic centimetres;
- (d) seven million two hundred thousand dollars, in the case of a motor vehicle whose capacity exceeds three thousand cubic centimetres;

and such deemed cost shall be reduced proportionally where the period of use of the motor vehicle is less than the year of assessment;

- (ix) in the case of a motor vehicle, in respect of the year of assessment beginning on the **1st January, 2007**, and any subsequent year of assessment, the cost to the employer shall be deemed to be the following:-

proviso (ix) inserted by section 6 of Act 8 of 2005 and amended by Act 12/2006. The Law Reviser confirms that Act 12/2006 erroneously substituted 1st January, 2007 for 1st January, 2006.

- (a) nine million dollars, in the case of a motor vehicle whose engine capacity does not exceed one thousand five hundred cubic centimetres;
- (b) fifteen million dollars, in the case of a motor vehicle whose capacity exceeds one thousand five hundred cubic centimetres but does not exceed two thousand cubic centimetres;
- (c) eighteen million dollars, in the case of a motor vehicle whose capacity exceeds two thousand cubic centimetres but does not exceed three thousand cubic centimetres;
- (d) twenty-four million dollars, in the case of a motor vehicle whose capacity exceeds three thousand cubic centimetres;

and such deemed cost shall be reduced proportionally where the period of use of the motor vehicle is less than the year of assessment;

- (x) in the case of a sale or disposal of a motor vehicle to an ***employee**, whether during or on termination of the employee's employment, in respect of the year of assessment beginning on the 1st January, 2009, and any

subsequent year of assessment, the deemed benefit shall be determined in accordance with the following formula:

—

proviso (x) substituted by section 5 of Act 5/2009 from 30th September, 2009.
Word '*employer' corrected to *above by s 12(a) of Act 10/2009 w.e.f. 1st January, 2010

where—

A represents the market value of the motor vehicle:

B represents the cost at which the *employee acquired the motor vehicle:

Provided that if the motor vehicle was **acquired before the 1st January, 2009**, the cost of the vehicle shall be the value of the vehicle shown in the final balances of the employer determined and carried forward in terms of *section 3(3) and (4) of the Finance Act, 2009 (as substituted by the Finance Act (No. 2) Act 5/2009).

No advantage or benefit in terms of this proviso shall be deemed to have accrued to an employee who, on the date of the sale or disposal, is of or over the age of **55**.

In determining the market value of a motor vehicle for the purposes of this proviso, the Commissioner shall have regard to the valuation of a member of such institution or association of motor dealers or valuers as is prescribed by the Commissioner by notice in the *Gazette*.

(xi) in the case of a motor vehicle, in respect of the year of assessment beginning on the **1st January, 2020**, and any subsequent year of assessment, the cost to the employer shall be deemed to be the following

[Proviso (xi) substituted by Finance Act 13/2019.]

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

—

US\$ amounts increased by sect 39 of Finance Act 7/2021 w.e.f. 31st December, 2021
ZWL\$ amounts increased by sect 36 of Finance Act 8/2022 w.e.f. 24th October, 2022.
The FINANCE ACT 2023 [s 57](#) removed all **ZWL\$** amounts, leaving USD amounts intact w.e.f. 29th December, 2023.

(a) **US\$ 625** in the case of a motor vehicle whose engine capacity does not exceed 1500 c.c's;

(b) **US\$ 830** in the case of a motor vehicle whose capacity exceeds 1500 c.c's but does not exceed 2 000 c.c's;

(c) **US\$ 1 250** in the case of a motor vehicle whose capacity exceeds 2 000 c.c's but does not exceed 3 000 c.c's;

(d) **US\$ 1 660**, in the case of a motor vehicle whose capacity exceeds 3 000 c.c's;

and such deemed cost shall be reduced proportionally where the period of use of the motor vehicle is less than the year of assessment:

(xii) – (xiv)

Provisos (xii), (xiii) and (xiv) repealed by section 12(b) of Act 10/2009 w.e.f. 1st January, 2010.

(g) subject to paragraph 3 of the *Seventh Schedule*, where land is sold or otherwise disposed of and **timber or other crops** are growing on such land which, in the opinion of the Commissioner, have been grown for sale, the market value of such timber or growing crops at the time such land is sold or so disposed of:

Provided that no amount will be included in gross income if such timber or crops were acquired by such person by way of **inheritance** or **donation** and did not become assets of any trade carried on by him;

(h) an amount equal to the value, determined in accordance with the provisions of the *Second Schedule*, of the **trading stock** belonging to a person carrying on a trade which—

(i) has not been disposed of at the end of the year of assessment; or

(ii) has, during the year of assessment, been taken by the person for his domestic or private consumption or use; or

(iii) has, during the year of assessment—

A. vested in the trustee of the person on the insolvency, winding up or death of the person; or

B. been given by the person to some other person; or

C. been disposed of by the person otherwise than—

I. in a manner described in this paragraph; or

II. by sale or exchange;

or

(iv) is, at the end of the year of assessment, attached in pursuance of an order of court; or

(v) has, during the year of assessment, been—

A. disposed of by the person in pursuance of the sale or other disposal of his business; or

B. sold in pursuance of an order of court;

- (i) any recoupments from capital expenditure which—
- (i) exceed the balance of capital expenditure ranking for redemption in terms of paragraphs 2, 3, 4 and 5 of the *Fifth Schedule* or the corresponding provisions of any previous law; or
 - (ii) are a recovery of amounts allowed as a deduction in terms of paragraph 6 of the *Fifth Schedule* or the corresponding provisions of any previous law;
- (j) any amount allowed to be deducted under [subsection \(2\) of section fifteen](#) or the corresponding provisions of any previous law other than any sums deducted in terms of paragraph 5 of the *Fourth Schedule*, the *Sixth Schedule*, paragraph 2 of the *Seventh Schedule* and paragraph 3 of the *Fourteenth Schedule* or the corresponding provisions of any previous law, whether in the current or any previous year of assessment, which has been recovered or recouped:

Provided that—

- (i) if an amount which has been allowed as a deduction under paragraph 2 or 3 of the *Fourth Schedule*, or under the corresponding provisions of any previous law, has been recovered or recouped by a person as a result of damage or destruction of any asset in respect of which a deduction—
 - (a) has been allowed; or
 - (b) would have been allowed had it been new or unused at the time of acquisition; or
 - (c) would have been allowed had the expenditure been incurred on or after the 1st April, 1967; or
 - (d) would have been allowed, if it had been new or unused at the time of acquisition and the expenditure had been incurred on or after the **1st April, 1967**;

in terms of paragraph 5 of that *Schedule* as it existed on the 31st March, 1981, or, with effect from the year of assessment beginning on the **1st April, 1981**, would have been so allowed had that paragraph not been repealed with effect from that year, such amount shall not be included in the gross income of that person if he satisfies the Commissioner—

- A. that he has purchased or constructed or will purchase or construct, within a period of 18 months from the date the asset was damaged or destroyed, a further asset of a like nature in replacement thereof; and

- B. that such further asset has been or will be brought into use within a period of 3 years from the date the aforesaid asset was damaged or destroyed;

so, however, that if in the event the Commissioner is not satisfied—

- I. that the whole of the amount so recovered or recouped has been fully expended on the purchase or construction of a further asset of a like nature within the period stipulated in subparagraph A, he shall include any amount not so expended in that person's gross income in the year of assessment in which the amount was originally recovered or recouped; or
 - II. that the further asset of a like nature has been brought into use within the period stipulated in subparagraph B, he shall include in that person's gross income, in the year of assessment in which the amount was originally recovered or recouped, any part of that amount not previously included in gross income;
- (ii) any amount recovered or recouped by an employer on the winding up of a benefit or pension fund or on his ceasing to be an employer because of insolvency or liquidation or on the withdrawal of all his employees from membership of the fund shall not be excluded from gross income;
- (k) the amount or value of any benefit received by or accrued to a taxpayer as a result of any concession granted by, or compromise or arrangement made with, a creditor whereby a liability which arose from expenditure in respect of which a deduction has been made under [subsection \(2\) of section fifteen](#) or the corresponding provisions of any previous law, is reduced or extinguished:

Provided that—

- (i) any benefit relating to expenditure in respect of assets ranking for the allowances referred to in [paragraphs \(c\), \(f\) and \(z\) of subsection \(2\) of section fifteen](#) shall not exceed the total amount of the allowances so granted less any allowance granted under paragraph 5 of the *Fourth Schedule* prior to its repeal;
- (ii) the provisions of this paragraph shall not apply in respect of any reduction in liability in consequence of—
 - A. a taxpayer having been adjudged or otherwise declared, or having become, insolvent or having made an assignment of his property or estate for the benefit of his creditors; or
 - B. the estate of the taxpayer having been vested in the Corporation as defined in [section 2 of the Agricultural Finance Act \[Chapter 18:02\]](#)

- C. the taxpayer, in the case of a company, having been wound up by the court on the grounds that it is unable to pay its debts;
- (f) in the case of a person by whom any movable or immovable property has been acquired, any amount paid, whether in the form of rent, premium, consideration in the nature of a premium or otherwise, for the right of use or occupation of such property which has been allowed as a deduction under this Act or a previous law in the determination of any person's taxable income and which, or the equivalent of which, is upon the subsequent acquisition of such property applied in reduction or towards settlement of the purchase price of such property.

For the purposes of this paragraph—

- (i) any expenditure incurred by a person in pursuance of an obligation to effect improvements to land or buildings under an agreement by which the right of use or occupation of the land or buildings is granted by another, shall be deemed to be an amount which has been paid;
- (ii) where any amount has been paid by any person for the right of use or occupation of any property, which is thereafter acquired by that or any other person for no consideration or for a consideration which, in the opinion of the Commissioner, is not an adequate consideration, such amount, unless the Commissioner, having regard to the circumstances of the case, otherwise decides, or so much thereof as does not exceed the fair market price, as determined by the Commissioner, of such property where no consideration was given, or the difference between such fair market price and the amount of the consideration for which it has been acquired as aforesaid, as the case may be, shall be deemed to have been applied in reduction or towards settlement of the purchase of such property:

Provided that—

- (i) any amount included in the gross income of any person under this paragraph may, if that person so elects (which election shall be binding) be deemed to accrue in 6 successive equal instalments, the first instalment to be deemed to have accrued in the year of assessment in which he acquired the property and the subsequent instalments being deemed to accrue in each year of assessment thereafter, so, however, that, if a person who has made an election in terms of this paragraph subsequently disposes of the property in question before the expiry of the period of **6 years**, the balance of the instalments which have not already been

included in his income shall be included in his income for the year of assessment in which the property is so disposed of;

- (ii) any portion of any amount which was included in the gross income of any person under similar provisions of a previous law and which under such previous law fell to be apportioned over a number of years of assessment shall, for the purposes of this Act, be included in gross income as though the relevant provisions of such previous law were still in force;
- (m) any amount received or accrued by way of grant or subsidy in respect of any expenditure allowed or allowable as a deduction under this Act or a previous law;
- (n) any amount received or accrued by way of commutation of a pension or annuity, the right to which was acquired by virtue of contributions first made on or after the 1st August, 1970, and which is payable by a retirement annuity fund, to the extent that it exceeds the amount that would have been payable had ~~1/3rd~~ only of the total value of the pension or annuity been commuted;

Subpara (n) amended by Act 17 of 1997 from 10 June 1996.

- (o) any amount received or accrued, directly or indirectly, from the State in terms of the Designated Areas Grant Scheme;
- (p) any amount so received accrued to a petroleum operator which, in terms of the *Twentieth Schedule*, is income attributable to petroleum operations carried on by the petroleum operator;
- q) any amount so received or accrued by way of commutation of a pension or annuity which is payable from the Consolidated Revenue Fund or a pension fund, **other than** a retirement annuity fund, if the pension or annuity itself would not have been subject to income tax;

lump sum paid under a Voluntary Retirement Scheme *B v COT 00-ICT 1673*
para substituted by Act 29 of 2004 from the 1st December, 2004.

- (r) any amount so received or accrued to the holder of a special mining lease, where the amount, in terms of the *Twenty-Second Schedule*, is income attributable to special mining lease operations carried out by him;
- (s) the amount so received or accrued as a result of the sale of shares offered to an employee pursuant to a share option scheme, as adjusted in accordance with the following formula:

$$A - (B + C)$$

where

- A** represents the sale value of the shares at the time of the exercise of the share option by the employee;
- B** represents the value of the shares offered to the employee pursuant to a share option scheme;
- C** represents the figure B to which the inflation allowance is applied, which allowance is to be determined in accordance with the following formula:

$$\frac{(D - E)}{E} \times B$$

where

- D** is the figure for the All-items Consumer Price Index issued by the Central Statistics Office at the time the employee exercises the share option;
- E** is the figure for the All-items Consumer Price Index issued by the Central Statistics Office at time when the shares were offered to the employee pursuant to a share option scheme.

subpara (t) inserted by Act 16 of 2007 w.e.f. the year of assessment beginning on the 1st January, 2007.

“income” means the amount remaining of the gross income of any person for any such year after deducting therefrom any amounts exempt from income tax under this Act;

Delta Beverages (Pvt) Ltd v Zimra [22-SC-003](#)

“taxable income” means the amount remaining after deducting from the income of any person all the amounts allowed to be deducted from income under this Act.

(2) For the purposes of the definition of **“gross income”** in [subsection \(1\)](#), when, owing to a variation in the rate of exchange of currency between Zimbabwe and any other country, the amount received, expressed in Zimbabwean currency, differs from the amount that had accrued prior to the variation in the rate of exchange—

PP v COT [81-ITC-1333](#)

- (a) the amount to be included in gross income shall be the said amount received, expressed in Zimbabwean currency; and
- (b) if the receipt and the accrual occur in different years of assessment, effect shall be given to the increase or reduction in the gross income in the year of assessment in which the amount was received.

(3) For the purposes of the definition of **“gross income”** in [subsection \(1\)](#), any amount received that constitutes prepayment for goods, services or benefits that will be used up in

any subsequent year of assessment will not form part of the gross income for the year of assessment for which a return of income is made, but must be included in the year of assessment in which the goods, services or benefits are used up or, if used up in stages or batches, included proportionately in the returns for the years of assessment in which the goods, services or benefits are so used up.

[subsection \(3\)](#) inserted by the Finance Act 1 of 2018 w.e.f. 1 January 2018.

9 ...

[Section 9](#) repealed by the Finance (No.3) Act 10/2009 w.e.f. the 1st January, 2010.

*Provided that where a person made an election under the foregoing provision **before the 1st January, 2010**, whose period of operation would have continued beyond that date, such election shall not be affected by the repeal of the foregoing provision.

The *above proviso was added by section 13 of the above repealing Finance (No.3) Act 10/2009 –
Editor

10 Special circumstances in which income is deemed to have accrued

(1) Income shall be deemed to have accrued to a person notwithstanding that such income—

- (a) has been invested, accumulated or otherwise capitalized by him; or
- (b) has not been actually paid over to him but remains due and payable to him; or
- (c) has been credited to an account or re-invested or accumulated or capitalized or otherwise dealt with in his name or on his behalf;

and a complete statement of all such income shall be included by any person in the returns rendered by him under this Act.

(2) Income received by or accrued to or in favour of a partnership in any period ending on an accounting date shall be deemed to be income received by or accrued to or in favour of the partners on such accounting date in the proportions in which the partners agree to share the profits of the partnership as at such date.

(3) If, in pursuance or by reason of a donation, settlement or other disposition, income accrues to or in favour of or is paid to or applied to the benefit of or is accumulated for the future benefit of a minor child, whether legitimate or illegitimate, of the person by whom the donation, settlement or other disposition was made, the income so accruing, paid, applied or accumulated shall be deemed to be income received by or accrued to or in favour of the person by whom the donation, settlement or other disposition was made.

(4) If—

- (a) in pursuance or by reason of a donation, settlement or other disposition made by a person, income accrues to or in favour of or is paid to or applied to the benefit of or is accumulated for the future benefit of a minor child, whether legitimate or illegitimate, of some other person; and

- (b) the parent of the child or his spouse or a near relative of the parent of the child or of the spouse of the parent of the child has made a donation, settlement or other disposition or given some consideration to or in favour of the person or the spouse or a near relative of the person or of the spouse of the person by whom the donation, settlement or other disposition referred to in paragraph (a) was made;

the income so accruing, paid, applied or accumulated shall be deemed to be income received by or accrued to or in favour of the parent of the child.

(5) If in any deed of donation, settlement or other disposition a person has stipulated that the beneficiaries, or some of them, shall not receive the income thereunder or some portion of that income until the happening of some event, whether fixed or contingent and—

- (a) if by virtue of the powers conferred under such deed upon that person, his spouse, his near relative or a near relative of his spouse he or she has power to control the ultimate evolution of that income or portion thereof or of any funds derived from the accumulation of such income; or
- (b) if that income or portion thereof or those funds or any property under such deed may—
 - (i) devolve upon that person, his spouse, his deceased estate, the deceased estate of his spouse or the deceased estate of the first dying spouse and the surviving spouse; or
 - (ii) be lent to that person or any of the persons referred to in paragraph (a) or to a company controlled by that person and those other persons or one or more of them;

the income or portion thereof, as the case may be, to the extent to which it is to be withheld from the beneficiaries, shall, until the happening of the event stipulated in the deed, be deemed to be income of that person.

(6) If any deed of donation, settlement or other disposition contains any stipulation that the right to receive any income thereby conferred may, under powers retained by the person by whom that right is conferred, be revoked or conferred upon another, so much of any income as in consequence of the donation, settlement or other disposition, is received by or accrues to or in favour of or is deemed to be received by or to accrue to or in favour of the person on whom that right is conferred, shall be deemed to be the income only of the person by whom it is conferred, so long as he retains those powers.

(7) Subject to [subsection \(2\) of section eight](#) and [sections seventeen](#) and [eighteen](#), where during any year of assessment a taxpayer becomes entitled to any amount which is payable after the last day of that year of assessment, the amount shall be deemed to have accrued to him during that year of assessment:

Provided that, if in respect of any year of assessment before the **1st April, 1991**, the taxpayer submitted a return of income prepared on the basis that the value of the amount accruing to him during that year of assessment was less than the amount that he would ultimately receive, there shall be deemed to have accrued to him, in any subsequent year of assessment in

which he received the amount or any portion thereof, a sum equal to the difference between the value of the amount or portion thereof which he so declared and the amount or portion thereof which he received.

11 Special provisions in connection with income derived from assets in deceased and insolvent estates

(1) In this section—

“ascertained beneficiary”, in relation to income received or accruing by virtue of an asset in a deceased estate or the proceeds or any part of the proceeds of an asset in a deceased estate, means a person named or identified in the will of the deceased person who by reason of the will, acquires on the death of the deceased person an immediate certain right to claim the present or future enjoyment of the income so received or accruing;

“asset in a deceased estate” does not include a right to claim an amount which became due and payable before the death of the deceased person.

(2) So much of the income received or accruing by virtue of an asset in a deceased estate or the proceeds or any part of the proceeds of an asset in a deceased estate during the period beginning immediately after the death of the deceased person and ending immediately before a person, other than a person who acquires the asset in pursuance of the realization of the assets in the deceased estate of the asset or the proceeds or part of the proceeds of the asset, as the case may be, as is received by or accrues to or in favour of an ascertained beneficiary, shall be treated for the purposes of this Act as income of the ascertained beneficiary and not as income received in or accruing to the deceased estate.

(3) Income received or accruing by virtue of an asset in a deceased estate or an asset in an insolvent estate or the proceeds or any part of the proceeds of an asset in the deceased or insolvent estate during the period beginning immediately after a person becomes entitled to the transfer from the deceased or insolvent estate of the asset or the proceeds or part of the proceeds of the asset, as the case may be, and ending immediately before the transfer from the deceased or insolvent estate of the asset or the proceeds or part of the proceeds of the asset, as the case may be, shall, unless the effect of a condition governing the transfer is to provide that the income so received or accruing shall continue to be income of the deceased or insolvent estate, be treated for the purposes of this Act—

(a) in the case of income which is not income the subject of a trust to which no beneficiary is entitled, as income of the person who has immediately after the transfer an immediate certain right to the present or future enjoyment of the income so received or accruing; and

(b) in the case of income the subject of a trust to which no beneficiary is entitled, as income of the trust;

and not as income received in or accruing to the deceased or insolvent estate.

(4) For the avoidance of doubt it is declared that—

(a) an amount received or accruing by virtue of a right forming part of the assets in a deceased estate which did not become due and payable before the

death of the deceased person shall, subject to paragraph (b), be income for the purposes of this Act if the amount would have been income of the deceased person had it been received or been deemed to have been received by him or accrued or been deemed to have accrued to him or in his favour in his lifetime; and

- (b) an amount received in a deceased estate which would have been income of a deceased person had it been received or been deemed to have been received by him or accrued or been deemed to have accrued to him or in his favour in his lifetime shall not be income for the purposes of this Act if—

(i) the deceased person had no right to claim the amount in his lifetime; and

(ii) the amount is received *ex gratia* or in pursuance of a gratuitous promise made after the death of the deceased person;

and

- (c) an amount received or forming part of the assets in a deceased estate—

(i) which became due and payable before the death of the deceased person; and

(ii) which the deceased person had a right to claim in his lifetime;

shall be income received by or accruing to or in favour of the deceased person on the date the amount became due and payable if the amount would have been income of the deceased person had it been received by him in his lifetime.

12 Circumstances in which amounts are deemed to have accrued from sources within Zimbabwe

(1) An amount shall be deemed to have accrued to any person from a source within Zimbabwe whenever it has been received by or has accrued to or in favour of such person—

- (a) under any contract made within Zimbabwe for the sale of goods, whether such goods have been delivered or are to be delivered in or out of Zimbabwe;
- (b) for any service rendered or work or labour done by such person in the carrying on in Zimbabwe of any trade, whether the payment for such service or work or labour is made or is to be made by a person resident in or out of Zimbabwe, and wherever payment for such service or work or labour is made or is to be made;

Ka. v CoT [93-SC-001](#)

- (c) for any service rendered or work or labour done as an employee by such person outside Zimbabwe, during any temporary absence of such person from Zimbabwe, if such person is ordinarily resident in Zimbabwe, whether the payment for such service or work or labour is or is to be made by a

person resident in or out of Zimbabwe and wheresoever payment for such service or work or labour is or is to be made.

For the purposes of this paragraph—

- (i) **“temporary absence”** means an absence for a period or periods not exceeding in the aggregate **183 days** during the year of assessment;
- (ii) **“employee”** includes a director of a company;

(d) for services rendered to the State either inside or outside Zimbabwe:

Provided that an amount received by or accrued to or in favour of a person by virtue of services rendered outside Zimbabwe shall not be deemed to have accrued from a source within Zimbabwe if the person was not ordinarily resident outside Zimbabwe solely for the purpose of rendering such service;

- (e) by virtue of a pension or annuity for services rendered which is or was granted to the person by—
- (i) any person wherever resident; or
 - (ii) the Government of the former Federation; or
 - (iii) the State;

wherever the funds from which the pension or annuity is paid are situate or payment of the pension or annuity is made:

Provided that—

- (i) a pension or annuity shall not be deemed to be derived from a source within Zimbabwe if the service or employment for which it was granted was performed wholly outside Zimbabwe and the remuneration for the service or employment was not deemed by virtue of paragraph (d) to accrue from a source within Zimbabwe;
- (ii) a pension or part of a pension granted by the Government of the former Federation shall not be deemed to be derived from a source within Zimbabwe if—

A. the pension was granted in pursuance of the dissolution of the former Federation and the recipient of the pension was—

- I. ordinarily resident in Malawi or Zambia on the 31st March, 1964; or
- II. not ordinarily resident in Malawi or Zambia on the 31st March, 1964, in any of the Territories which comprised the former Federation and his home Territory, as determined in Part I of Schedule II to the Federation of Rhodesia and Nyasaland (Dissolution) Order in Council 1963 of the United Kingdom or the regulations in terms of which such pension

is payable, as the case may be, was not Zimbabwe, and, if he had no home Territory, he was not ordinarily resident in Zimbabwe at the time he first became entitled to such pension;

B. the pension was granted otherwise than in pursuance of the dissolution of the former Federation and the recipient of the pension was not employed by—

I. the Government of Southern Rhodesia immediately before he joined the service of the Government of the former Federation; or

II. any of the Governments of the Territories which comprised the former Federation immediately before he joined the service of the Government of the former Federation and was not ordinarily resident in Zimbabwe at the time when he first became entitled to such pension; or

III. the State at the time he first became entitled to such pension;

(iii) if a pension or annuity, other than a pension or annuity granted in respect of employment by the State or the Government of the former Federation, was granted for service or employment performed both within and outside Zimbabwe, only that part of the pension or annuity which bears the same proportion to the whole of the pension or annuity as the period of the person's service or employment within Zimbabwe bears to the whole of the period of the person's service or employment for which the pension or annuity was granted shall be deemed to be derived from a source within Zimbabwe.

For the purposes of this paragraph—

I. a pension granted to a member of the Public Service of the former Federation in pursuance of the dissolution of the former Federation shall be deemed to have been granted to him by the Government of the former Federation;

II. a pension which devolves upon another person by reason of the death of a person who was in receipt of a pension from the Government of the former Federation shall not be deemed to be from a source within Zimbabwe if the pension receivable by the deceased person at the time of his death was not derived or deemed to be derived from a source within Zimbabwe.

(f) in the circumstances specified in [subsections \(6\)](#) and [\(7\)](#).

Para (f) inserted by Finance Act 1/2019 gazetted 20th February 2019 w.e.f. 1st January, 2019.

(2) An amount derived from a source outside Zimbabwe by way of interest or dividends on securities which is received by or accrues to or in favour of a person or would, had it been

derived from a source within Zimbabwe, be deemed in terms of [section ten](#) to be income received by or accruing to or in favour of a person shall, if the person is ordinarily resident in Zimbabwe at the time the amount is so received or so accrues or is deemed to be so received or to so accrue, be deemed to be income from a source within Zimbabwe:

PPC v ZIMRA [19-HH-755](#)

Provided that—

(i) any amount so received or accrued in any year of assessment by way of income arising from securities referred to in paragraph (f) of the definition of “**securities**” in [subsection \(1\) of section two](#)—

(a) shall, notwithstanding [section seven](#), be charged to tax in such manner and at such rates as may be fixed by the charging Act relating to that year of assessment; and

(b) shall not reduce any assessed loss which the taxpayer would have had in that year of assessment if such amount had not been received by or accrued to him;

(ii) for the purposes of this Act the amount of any credit which, in terms of the laws of any other country, a taxpayer is entitled to claim in respect of income referred to in proviso (i) shall be deemed to constitute such income and shall be deemed to have accrued to such taxpayer.

(3) Any amount received or accrued by way of an annuity from any source outside Zimbabwe, the right to which was acquired by means of the payment by the annuitant of a sum of money or the disposal by the annuitant of an asset or by both those means, shall be deemed to be income from a source within Zimbabwe if the annuitant was ordinarily resident in Zimbabwe at the time the right to the annuity was acquired.

(4) An amount shall be deemed to have accrued to any person from a source within Zimbabwe if it has been received by or has accrued to or in favour of such person by virtue of the use in Zimbabwe of or the grant of permission to use in Zimbabwe, or the imparting of or the undertaking to impart any knowledge directly or indirectly connected with the use in Zimbabwe of—

(a) any patent, design, trade mark, copyright, model, plan, secret process or formula or any other property which, in the opinion of the Commissioner, is of a similar nature; or

(b) any motion picture film or television film or any sound recording or advertising matter used or intended to be used in connection with such film;

wheresoever such patent, design, trade mark, copyright, model, plan, secret process, formula, property, film, sound recording or advertising matter has been produced or made or such permission has been granted or such knowledge has been imparted or such undertaking has been given or payment for such use, grant of permission, imparting of knowledge or undertaking has been made or is to be made, and whether such payment has been made or is to be made by a person resident in or out of Zimbabwe.

(5) Any amount which is specifically required to be included in a person's gross income in terms of paragraph (i) or (j) of the definition of "**gross income**" in [subsection \(1\) of section eight](#) shall be deemed to have been received by or accrued to such person from a source within Zimbabwe notwithstanding that such amount may have been recovered or recouped outside Zimbabwe.

(6) Any amount receivable by or on behalf of a **satellite broadcasting service** domiciled outside Zimbabwe from persons resident in Zimbabwe in respect of the provision or delivery of television or radio programmes to those persons shall be deemed to be income from a source within Zimbabwe.

[subsections \(6\),\(7\) & \(8\)](#) inserted by inserted by Finance Act 1/2019 gazetted 20th February 2019 w.e.f. 1st January, 2019.

(7) Any amount receivable by or on behalf of an **electronic commerce operator** domiciled outside Zimbabwe from persons resident in Zimbabwe in respect of the provision or delivery of goods or services (other than services specified in [section twelve \(1\)\(d\)](#) and [twelve \(4\)](#) above) to those persons shall be deemed to be income from a source within Zimbabwe.

substituted by Finance (No.2) Act 7/2019 gazetted on the 21st August,2019 w.e.f.1st September, 2019.

(8) In [subsections \(6\)](#) and [\(7\)](#)—

"electronic commerce operator" means an operator selling, providing or delivering services from outside Zimbabwe by the use of a telecommunications network or electronic means (and whether mediated by computers, mobile telephones or other devices) to customers or users in Zimbabwe;

Definition substituted by Finance (No.2) Act 7/2019 gazetted on the 21st August,2019 w.e.f.1st September, 2019.]

"satellite broadcasting service" means a service which by means of a satellite (whether or not in combination with cable optical fibre or any other means of delivery) delivers television or radio programmes to persons having equipment appropriate for receiving that service.

12A Taxation of certain income deemed to be from a source within Zimbabwe

section inserted by Finance Act 1/2019 gazetted 20th February 2019 w.e.f. 1st January, 2019
See its relevance in [section 53\(1\)\(a\)](#) below- Editor

(1) This section applies to the taxation of income deemed in terms of [section twelve \(6\)](#) and [\(7\)](#) to be income from a source within Zimbabwe.

(2) Every person who provides services as a satellite broadcasting service or provides or delivers goods and services as an **electronic commerce operator** which receives revenues in excess of five hundred thousand United States dollars (**US\$500 000,00**) in any year of assessment from the provision or delivery of such services or services to persons resident in

Zimbabwe, shall pay tax on such revenues charged and levied at the rate specified in section 14(2)(k) of the Charging Act.

Amended by Finance (No.2) Act 7/2019 gazetted on the 21st August, 2019 w.e.f. **1st September, 2019**:
then amended into US denominated currency by Finance (No.3) Act 13/2019 gazetted on the 31st
December, 2019 back dated to take effect from the **24th June, 2019**.

(3) Any amount so received or accrued in any year of assessment by way of income arising by virtue of [section twelve \(6\)](#) and [\(7\)](#)—

- (a) shall, notwithstanding [section seven](#), be charged to tax in such manner and at such rates as may be fixed by the charging Act relating to that year of assessment; and
- (b) shall not reduce any assessed loss which the taxpayer would have had in that year of assessment if such amount had not been received by or accrued to him or her.

(4) [Sections nineteenA](#) (“Non-resident companies: basis of charge to and determination of company tax”) and [section nineteenB](#) (“Meaning of “permanent establishment””) shall not apply to the taxation of income deemed to have accrued from a source within Zimbabwe in terms of [section twelve\(6\)](#) and [\(7\)](#).

(5) Where a company or other entity domiciled **outside Zimbabwe** is liable to pay tax in terms of [subsection \(2\)](#), such company or entity shall, **within 30 days** of becoming so liable or within 30 days of the promulgation of the *Finance (No. 3) Act, 2019, as the case may be, appoint a person domiciled in Zimbabwe to act as its representative taxpayer, and notify such appointment in writing to the Commissioner. (failing which the Commissioner may, by written notice, appoint any person as its representative taxpayer).

[Subsection \(5\)](#) inserted by *Act 13/2019 promulgated on the 31st December, 2019.

(6) Subject to this section, the tax payable in terms of [subsection \(3\)](#) shall be paid as follows—

[Subsection \(6\)](#) substituted by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020.

- (a) the 1st quarter payment shall be paid on or before the **25th March** in relevant year of assessment for income which has accrued in December, January and February; and
- (b) the 2nd quarter payment shall be paid on or before the **25th June** in the relevant year of assessment, for income which has accrued in March, April and May; and
- (c) the 3rd quarter payment shall be paid on or before the **25th September** in the relevant year of assessment, for income which has accrued in June, July and August; and
- (d) the 4th quarter payment shall be paid on or before the **20th December** in the relevant year of assessment, for income which has accrued in September, October and November.

(7) If the taxpayer fails to submit any return, on the dates in [subsection \(8\)](#), as required by [subsection \(5\)](#), the Commissioner-General may estimate the taxable income which is required to be estimated, and such estimate shall be final and conclusive.

[[Subsections \(7\)-\(13\)](#) inserted by Act 8/2020 w.e.f. the 28th October, 2020.]

(8) Subject to this section, the tax payable in terms of [subsection \(3\)](#) shall be paid as follows—

- (a) the first quarter payment shall be paid on or before the 25th March in relevant year of assessment; and
- (b) the second quarter payment shall be paid on or before the 25th June in the relevant year of assessment; and
- (c) the third quarter payment shall be paid on or before the 25th September in the relevant year of assessment; and
- (d) the fourth quarter payment shall be paid on or before the 20th December in the relevant year of assessment:

(9) The tax payable shall be paid **in foreign currency** on the dates mentioned in [subsection \(7\)](#).

(10) The providers of services shall be required to notify the Commissioner General by 31 March of every year of assessment where they remain eligible to pay tax.

(11) Any person who fails to pay to the Commissioner-General any amount of the tax mentioned in [subsection \(3\)](#) shall liable for the payment to the Commissioner, not later than the date on which payment should have been made of—

- (a) the amount of non-residents' tax on **e-commerce payments** which the payer, as the case may be, failed to pay to the Commissioner; and
- (b) a further amount equal to **100%** of such non-residents' tax on e-commerce payments.

(12) The Commissioner-General, if satisfied in any particular case that the failure to pay to the tax was not due to any intent to evade the provisions of this section, may waive the payment of the whole or such part as he thinks fit or repay the whole or such part as he thinks fit .

(13) If it is proved to the satisfaction of the Commissioner-General that any person has been charged with tax in excess of the amount properly chargeable in terms of this section, the Commissioner shall authorize a refund in so far as it has been overpaid:

Provided that the Commissioner-General shall not authorise any refund in terms of this subsection unless the claim therefor is made **within 6 years** of the date of payment of such tax.

12B Domestic Minimum Top-Up Tax

Inserted by Act 13/2023 w.e.f. 1st January, 2024.

(1) In this section—

“**corporate tax**” means any tax, by whatever name called, that is levied on the income or capital of any entity;

“**domestic minimum top-up tax**” means the tax payable in terms of [subsection \(2\) \(c\)](#) or [\(d\)](#);

“**foreign entity**”, for the purposes of this section means a company, trust or other juristic person resident, incorporated or domiciled outside Zimbabwe, including—

- (a) any locally incorporated subsidiary company of a foreign entity;
- (b) any locally registered company of a foreign entity;
- (c) any locally resident agent, arm or branch of a foreign entity.

(2) The following applies for the purpose of arriving at the “**effective**” rate of corporate tax—

- (a) compare the actual corporate tax charged on the income of the entity (arrived at by calculating the corporate tax chargeable on its taxable income) and the amount of corporate tax that would have been charged on its income before deductions in terms of [section fifteen](#);
- (b) whatever the proportion that the amount arrived at by the second calculation bears to the total amount of income of the entity before deductions in terms of [section fifteen](#) is the effective rate.

(3) Where—

- (a) a foreign entity earns any of its income from any business, trade, investment or other activity carried on within Zimbabwe; and
- (b) the country in which the foreign entity is resident pays—
 - (i) no corporate tax; or
 - (ii) corporate tax at an effective rate of **less than 15 %** of its income from any source within or outside the country of its residence;

then, despite any double taxation agreement subsisting between Zimbabwe and that country which has the effect of—

- (c) rendering the foreign entity concerned not liable to tax in Zimbabwe;
- (d) rendering the foreign entity concerned liable to tax in Zimbabwe at the rate of **less than 15%** of its taxable income earned in Zimbabwe;

then such foreign entity shall be liable, **with effect from the 1st January, 2024**, and any subsequent year of assessment, to pay—

- (e) in the case of a foreign entity mentioned in paragraph (c) domestic minimum top-up tax at the rate of **15%** of its taxable income earned in Zimbabwe during the year of assessment; or

- (f) in the case of a foreign entity mentioned in paragraph (d)—
- (i) domestic minimum top-up tax on its taxable income earned in Zimbabwe during the year of assessment, at the rate of **15%** minus the percentage rate of corporate tax it pays in its country of residence; or
 - (ii) the amount of the tax chargeable under this Act by application of [section 92 \(“Reduction of tax payable as a result of double taxation agreements”\)](#);

whichever is the greater amount.

(4) Where the tax law of the country in which a foreign entity resides taxes the taxable income that it earns in Zimbabwe as if it were taxable income earned in that country, then such foreign entity shall be liable, **with effect from the 1st January, 2024**, and any subsequent year of assessment, to pay—

- (a) domestic minimum top-up tax on its taxable income earned in Zimbabwe during the year of assessment, at the rate of **15%** minus the percentage rate of corporate tax it pays in its country of residence; or
- (b) the amount of the tax chargeable under this Act by application of [section 93 \(“Relief from double taxation in cases where no double taxation agreements have been made”\)](#);

whichever is the greater amount.

(5) The Minister may make regulations under [section ninety](#) prescribing anything which in his or her opinion is necessary or convenient to be prescribed by regulations for carrying out or giving effect to this section.

13 Commissioner may approve of benefit funds and medical aid societies for the purposes of this Act

(1) For the purposes of this Act, the Commissioner may, in respect of each year of assessment, approve of a benefit fund subject to such limitations or conditions as he may determine if he is satisfied that such fund—

- (a) is a permanent fund, other than—
 - (i) a pension fund; or
 - (ii) a medical aid society; or
 - (iii) a fund registered or provisionally registered as a provident fund under the [*Pension and Provident Funds Act \[Chapter 24:32\]](#);

This Act replaced [*Chapter 24:09](#) on the 2nd September, 2022- Editor

and

- (b) is *bona fide* established for the purpose of providing—
 - (i) sickness, accident or unemployment benefits for its members; or

- (ii) benefits for the widows, children, dependants or nominees of deceased members.

(2) For the purposes of this Act, the Commissioner may, in respect of each year of assessment, approve of a medical aid society or scheme subject to such limitations or conditions as he may determine if he is satisfied that it is a permanent society or scheme *bona fide* established for the purpose of providing benefits for its members and their dependants in respect of expenditure incurred on medical, dental or optical treatment, including treatment prescribed by a medical or dental practitioner, the provision of drugs for medical, dental or optical purposes, the provision of medical, surgical, dental or optical appliances or the provision of ambulance services.

14 Exemptions

- (1) There shall be exempt from income tax the amounts specified in the *Third Schedule*.

Zimbabwe Revenue Authority v FC Platinum [22-SC-044](#)

(2) The exemptions provided by paragraphs 1 and 2 of the *Third Schedule* shall not extend to the salaries, wages, allowances, other remuneration or pensions of persons employed by any local authority, society, institution, company, association or statutory corporation specified in those paragraphs although the same may be paid wholly or in part out of the revenues or funds thereof.

(3) The exemptions provided by paragraphs 9, 10, and 11 of the *Third Schedule* shall not apply in respect of any portion of an annuity paid out of the amounts specified in those paragraphs.

15 Deductions allowed in determination of taxable income

(1) For the purpose of determining the taxable income of any person, there shall be deducted from the income of such person the amounts allowed to be deducted in terms of this section:

Provided that—

Provisos substituted by Act 18/2000 from the 12th January, 2001

(a) When, owing to a variation in the rate of exchange of currency between Zimbabwe and any other country, the amount actually paid in Zimbabwean currency differs from the amount of the liability that had been incurred prior to the variation in the rate of exchange—

- (i) the amount to be deducted shall be the said amount actually paid in Zimbabwean currency
- (ii) if the incurring of the liability and the payment therefor occur in different years of assessment, effect shall be given to the increase or reduction in the amount in the year of assessment in which the amount was paid.

(b) in a case where a person earns income from trade and investment
*and income from employment, any amounts allowed to be deducted in

terms of this section shall only be claimed in respect of the income to which they relate;

not apply to **corporates** through the deliberate insertion of the conjunctive* “and” *A Bank Ltd v Zimra* [20-HH-270](#)

(c) in a case where a person earns income from mining operations and income from other trade and investment, any amounts allowed to be deducted in terms of this section shall only be claimed in respect of the income to which they relate.

SZ (Pvt) Ltd v Zimra [20-HH-142](#)
Zimplats v ZIMRA [22-HH-845](#)

(2) The deductions allowed shall be—

(a) expenditure and losses **to the extent to** which they are incurred for the purposes of trade or in the production of the income

SW (Pvt)(Ltd)v ZIMRA [19-HH-499](#)
Delta Beverages (Pvt) Ltd v Zimra [22-SC-003](#)
IAB Company v Zimra [22-HH-032](#)
matching expenses incurred in the respective currencies earned *Zimplats v Zimra* [22-HH-845](#)

except —

Improper to split the payments of expenditure into segments some deductible and some not deductible. *NOC (Pvt) Ltd v ZIMRA* [19-HH-765](#)

(i) to the extent to which they are expenditure or losses of a **capital nature**;

“T.”Ltd. v. COT [66-RLR-021](#)
- intention to trade as a farmer *GG v COT* [76-ITC-1258](#)
- intention relating to sale of property ? speculator to provide a residence *CC v COT* [78-ITC-1271](#)
- change of intention relating to investment *ZZ v COT* [78-ITC-1278](#)
- incurring future expenses of mitigating losses occasioned by the liquidation of its company are allowed -*COT v A Company* [79-RLR-029](#)
R v COT [80-ITC-1325](#)
Q v COT [82-ITC-1371](#)
- eye operation for lawyer disallowed *L v COT* [91-HH-001](#)
- horse-breeding ‘JA’ v *COT* [92-ITC-1645](#)
D Bank Ltd v ZIMRA [15-HH-135](#)
- staff retrenchment costs *G Bank Ltd v ZIMRA* [15-HH-207](#)
- losses from theft by directors & other persons in control of business not deductible *M (Pvt) Ltd v ZIMRA* [15-HH-665](#)
- expenses incurred to mitigate loss by a company in liquidation allowed [79-RLR-029](#)
- computer expenses of a capital nature *A Bank Ltd v ZIMRA* [20-HH-270](#)
- donations to preserve the appellant’s income-earning structure *Unki Mine (Pvt) Ltd v ZIMRA* [22-SC-015](#)

(ii) expenditure that constitutes **prepayment** for goods, services or benefits that will be used up in any **subsequent** year of assessment

(in which event the expenditure will be allowed proportionately over the years of assessment in which the goods, services or benefits are used up;

Para (a) substituted by the Finance Act 1 of 2018 w.e.f. the year of assessment beginning on the 1st January, 2018,

(b) expenditure incurred during the year of assessment on—

(i) repairs to articles, implements, machinery and utensils used and property occupied for the purposes of trade;

ZIMRA v Stanbic Bank Zimbabwe Ltd [19-SC-013](#)

and

(ii) repairs resulting from the letting of property;

FF v COT [77-ITC-1263](#)

(c) the allowances in respect of—

GC (Pvt) Ltd v ZIMRA [15-HH-759](#)

(i) commercial buildings, farm improvements, fencing, industrial buildings, railway lines, staff housing and tobacco barns acquired or constructed and in both cases used by the taxpayer for the purposes of his trade;

(ii) articles, implements, machinery and utensils belonging to and used by the taxpayer for the purposes of his trade;

intention *GG v COT* [76-ITC-1258](#)
U v COT [80-ITC-1324](#)

(iii) training buildings and training equipment;

which are provided in the *Fourth Schedule*;

(d)

(i) an allowance in respect of any premium or consideration in the nature of a premium paid by any taxpayer—

- A. for the right of use or occupation of land or buildings used or occupied for the purposes of trade or in the production of income; or
- B. for the right of use of plant or machinery used for the purposes of trade or in the production of income; or
- C. for the right of use of any patent, design, trade mark, copyright, model, plan, secret process or formula or any other property which in the opinion of the Commissioner is of a similar nature, if such patent, design, trade mark,

copyright, model, plan, secret process or formula or other property is used for the purposes of trade or in the production of income; or

- D. for the right of use of any **motion picture film** or television film, sound recording or advertising matter connected with such film or recording if such film, sound recording or advertising matter is used for the purposes of trade or in the production of income; or
- E. for the imparting of or the undertaking to impart any knowledge directly or indirectly connected with the use of any such plant or machinery, patent, design, trade mark, copyright, model, plan, secret process or formula or other property as aforesaid, film, sound recording or advertising matter:

Provided that—

- (i) the allowances under subparagraph A, B, C or D shall not exceed for any year of assessment such portion of the amount of the premium or consideration so paid as is equal to the said amount divided by the number of years for which the taxpayer is entitled to the use or occupation, or **1/10th** of the said amount, whichever is the greater;

- (ii) if in any case the right of use or occupation of any property referred to in subparagraph A, B, C or D is granted for an initial period which may be extended or renewed for a further period or periods, the period for which the taxpayer is entitled to the use or occupation shall be deemed to be the initial period only;

- (iii) in any case where the agreement granting the use or occupation of any property referred to in subparagraph A, B, C or D is silent or indefinite as to the period of use or occupation, the period of such agreement shall be deemed to be a period of **10 years**;

- (iv) the allowance under subparagraph E shall not exceed for any year of assessment that portion (not

being less than **1/10th**) of the amount of the premium or consideration so paid as the Commissioner may allow having regard to the period during which the taxpayer will enjoy the right to use such plant or machinery, patent, design, trade mark, copyright, model, plan, secret process or formula or other property as aforesaid, film, sound recording or advertising matter and any other circumstances which in the opinion of the Commissioner are relevant;

(v) if the land or buildings referred to in this paragraph are used or occupied by the taxpayer for the purposes of his trade or in the production of income and for other purposes, the allowance under this paragraph shall be reduced by such amount as the Commissioner, in the circumstances, considers fair and reasonable;

(vi) where the taxpayer acquires the ownership of any land or buildings, plant or machinery, patent, design, trade mark, copyright, model, plan, secret process or formula or other property, motion picture film or television film, sound recording or advertising matter in respect of which allowance has been made in terms of this paragraph, then from the year of assessment following that in which he acquires such ownership he shall cease to be entitled to any allowance under this paragraph in respect thereof;

- (ii) for the purposes of this paragraph, the amount of any premium or consideration in the nature of a premium shall be reduced by the total amount of any similar allowance made under any previous law:

Provided that for the purposes of the calculation of the annual allowance in terms of proviso (i) to subparagraph (i) the amount of the premium or consideration shall not be reduced;

(e)

- (i) an allowance in respect of any expenditure actually incurred by the taxpayer in pursuance of an obligation to **effect improvements** on land or to buildings incurred under any agreement whereby the right of use or occupation of the land or buildings is granted by any other person, where the land or buildings are used or occupied for the purposes of trade or in the production of income:

Provided that—

- (i) the aggregate of the allowances under this paragraph shall not exceed the amount stipulated in the agreement as the value of the improvements or as the amount to be expended on the improvements or, if no amount is so stipulated, an amount representing in the opinion of the Commissioner the fair and reasonable value of the improvement;
 - (ii) any such allowance shall not exceed for any year of assessment such portion of the aggregate of the allowances under this paragraph as is equal to the said aggregate divided by the number of years (calculated from the date on which the improvements are first used or occupied for the purposes of trade or in the production of income) for which the taxpayer is entitled to the use or occupation, or 1/10th of the said aggregate, whichever is the greater, and if the taxpayer is entitled to such or occupation for an indefinite period, he shall be deemed, for the purposes of this paragraph, to be entitled to such use or occupation for a period of 10 years;
 - (iii) if the land or buildings referred to in this paragraph are used or occupied by the taxpayer for the purposes of his trade or in the production of income and for other purposes, the allowance under this paragraph shall be reduced by such amount as the Commissioner, in the circumstances, considers fair and reasonable;
 - (iv) in any case where such agreement is for an initial period which may be extended or renewed for a further period or periods, the period of such agreement shall be deemed to be the initial period only;
 - (v) where the taxpayer acquires the ownership of improvements in respect of which an allowance has been made under this paragraph, then from the year of assessment following that in which he acquires such ownership he shall cease to be entitled to any allowance under this paragraph in respect thereof;
- (ii) for the purposes of this paragraph, the aggregate of the allowances determined under the provisions of proviso (i) to subparagraph (i) shall be reduced by the aggregate of any allowances of whatever nature made under a previous law in respect of the same improvements:

Provided that for the purposes of the calculation of the annual allowance in terms of proviso (ii) to subparagraph (i) the aggregate of the allowances shall not be so reduced;

(f)

- (i) in respect of income from **mining operations**, the allowances and deductions for which provision is made in the *Fifth Schedule in lieu* of the allowances and deductions provided in paragraphs (c), (d), (e) and (t);

SZ (Pvt) Ltd v Zimra [20-HH-142](#)

Provided that an allowance or deduction in terms of this subparagraph may be claimed in respect of 2 or more mining locations together, whether or not the expenditure or losses are attributable to either or any one of the mining locations concerned, where the Commissioner is satisfied that the mining operations conducted on the mining locations are inseparable or substantially interdependent, that is to say—

- (i) both or all of the mining locations are held by the same taxpayer; and
- (ii) the mineral or minerals produced at the locations are part of an integrated process of beneficiation under the control of the taxpayer;

proviso inserted by Act 18/2000 from 1st January, 2001;
substituted by Finance Act 1/2019 gazetted 20th February 2019 w.e.f. 1st January, 2019.

- (ii) where the taxpayer is a **miner**, any expenditure (other than expenditure in respect of which a deduction is allowable in terms of paragraph (a), which is proved to the satisfaction of the Commissioner to have been incurred during the year of assessment by the taxpayer on surveys, boreholes, trenches, pits and other prospecting and exploratory works undertaken for the purpose of acquiring rights to mine minerals in Zimbabwe or incurred on a mining location in Zimbabwe, together with any other expenditure (**other than** expenditure referred to in paragraph (a) of the definition of “capital expenditure” in paragraph 1 of the *Fifth Schedule*) which, in the opinion of the Commissioner, is incidental thereto:

Provided that the taxpayer may elect (which election shall be binding) that the expenditure be—

- (a) allowed in the year of assessment in which it is incurred; or
- (b) carried forward and allowed against income from mining operations in any subsequent year of assessment.

LCF Zimbabwe Ltd v Zimra [20-HH-227](#)

For the purposes of this subparagraph—

“**miner**” means any person who at the time the expenditure was incurred was—

- (a) the owner, tributor or option holder of a mining location; or
- (b) the holder of a prospecting licence issued or an exclusive prospecting order granted in terms of the [Mines and Minerals Act \[Chapter 21:05\]](#);

(iii) where the taxpayer is ‘a miner’ as defined in subparagraph (ii), the amount of any royalty paid during the year of assessment in terms of [section 245 of the Mines and Minerals Act \[Chapter 21:05\]](#).

subpara (iii) was inserted by Act 10/2003, then repealed by Act 1/2014 w.e.f. 1 January, 2014; and then re-inserted by Finance (No.2) Act 7/2019 gazetted on the 21st August, 2019 w.e.f. **1st January, 2020**. The repeal in 2014 does not affect the general formula for deduction of revenue expenditure
Zimra v Murowa Diamonds (Pvt) Ltd [23-SC-085](#)

- (g) the amount of any **debts** due to the taxpayer to the extent to which they are proved to the satisfaction of the Commissioner to be **bad**, if such amount is included in the current year of assessment or was included in any previous year of assessment in the taxpayer’s income either in terms of this Act or a previous law;

Amended by the Finance (No.3) Act 10/2009 w.e.f. 1st January, 2010.

MR Bank Ltd v Zimra [19-HH-779](#)

Man Ltd v Zimra [20-HH-078](#)

MBCA Bank (Pvt) Ltd v Zimra [21-SC-140](#)

- (h) an amount to be determined in accordance with the *Sixth Schedule* in respect of contributions made in the year of assessment to a benefit or pension fund or the Consolidated Revenue Fund:

EE v COT [77-ITC-1269](#)

Provided that no contribution to a retirement annuity fund shall be allowed as a deduction to a member of such fund who was not ordinarily resident in Zimbabwe at the time he made the contribution unless—

- (i) he was ordinarily resident in Zimbabwe at the time he became a member of the fund; and
- (ii) he became a member of the fund before the 1st April 1967; and
- (iii) no amount in respect of the contribution is allowed as a deduction in terms of any law imposing a tax on

income which is in force in a country
other than Zimbabwe;

Provided further that if contributions to a benefit or pension fund are not payable wholly or in part in Zimbabwean currency but in a **foreign currency**, the amount of the appropriate contribution shall be the equivalent in **United States** dollars that is obtained by dividing the Zimbabwean dollar amount of the contribution on the **22nd February 2019** (when the rate of exchange of the RTGS dollar to the United States dollar was one-to-one) by **10**.

further proviso inserted by Finance (No.2) Act 7/2019 gazetted on the 21st August, 2019 w.e.f. 1st August, 2019 to the 31st December 2019.

- (i) the amount of any arrear contributions which are paid by the taxpayer in respect of past service with his employer to a pension fund, other than a retirement annuity fund, or to the Consolidated Revenue Fund and which—
 - (i) do not exceed **8%** of the aggregate of his annual emoluments as defined in paragraph 1 of the *Sixth Schedule* for any period ending on or before the **31st March, 1972**, in respect of which the calculation of the arrear contributions payable was based; or
 - (ii) together with any amounts which have been allowed for the appropriate year of assessment as a deduction in terms of paragraph (h), do not, in relation to any period in respect of which the calculation of the arrear contributions payable was based, exceed—
 - A. if the period commences on or after the 1st April, 1972, and ends on or before the 31st March, 1975, two thousand dollars *per annum*; or
 - B. if the period commences on or after the 1st April, 1975, and ends on or before the 31st March, 1988, two thousand four hundred dollars *per annum*;
 - C. if the period commences on or after the 1st April, 1988, and ends on or before the 31st March, 1991, three thousand dollars *per annum*;
 - D. if the period commences on or after the 1st April, 1991, and ends on or before the 31st March, 1994, three thousand six hundred dollars *per annum*;

***Provided that** no deduction shall be allowed in terms of this paragraph in respect of contributions paid by a member of a partnership in respect of any period **prior to the 1st April, 1995**.

Editor's note – Because the ***proviso** above was type-set incorrectly under para D in the 1996 Revised Edition, the repeal of **D** by section 10(c) of Act 18/2000 wrongly appears to repeal the following proviso as well.

or

- E. if the period commences on or after the 1st April, 1994, and ends on or before the 31st March, 1996, five thousand four hundred dollars *per annum*; or
- F. if the period commences on or after the 1st April, 1996, and ends on or before the 31st December, 1998, ten thousand dollars *per annum*; or
- G. if the period commences on or after the 1st January, 1999, and ends on or before the 31st December, 2000, fifteen thousand dollars *per annum*; or
- H. if the period commences on or after the 1st January, 2001, thirty thousand dollars *per annum*;

Para D repealed and paras D – H substituted by Act 18/2000 from 1st January, 2001.

- I. if the period commences on or after the **1st January, 2009**, **US\$1800** *per annum*;

Subpara I inserted by Act 5/2009 w.e.f. the 30th September, 2009.

- J. if the period commences on or after the **1st January, 2019**, **ZW\$14 400** *per annum*;

Subpara J (not I as gazetted- Editor) inserted by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019: redesignated from **\$ US\$1 800**

- K. if the period commences on or after the **1st January, 2020**, **ZW\$80 000** *per annum*;

Subpara K -renumbered by Law Reviser-inserted by Act 13/2019 gazetted on the 31st December, 2019;
threshold increased to the above from ZW18 000 by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020.

- L. if the period commences on or after the **1st January, 2022**, **ZW\$ 500 000** *per annum*;

Subpara L -renumbered by the Editor-inserted by section 36 of Act 8/2022 gazetted on 24th October, 2022.

- (j) the amount of any contributions paid to a **medical aid society** by an employer in respect of his employees or their dependents;
- (k) in respect of income from the **sale of crops** or timber, or the sale of the right to reap crops or fell timber, which were growing on the land at the time of the acquisition of the ownership of such land by the taxpayer or in respect of income to which paragraph (h) of the definition of “gross income” in [subsection \(1\) of section eight](#) applies, an amount determined as follows—

- (i) where such land was acquired by the taxpayer for valuable consideration, so much of the valuable consideration as the Commissioner thinks just and reasonable as representing the cost of such crops or timber;
- (ii) where no valuable consideration was given by the taxpayer for such land, an allowance fixed by the Commissioner as representing the value of such crops or timber at the time that the taxpayer acquired such land;
- (iii) where the taxpayer sells the crops or timber the amount to be deducted for any year of assessment shall be the proportion attributable to the crops or timber sold during that year;
- (l) in respect of income from the sale by the taxpayer of crops or timber, the right to reap or fell and dispose of which was not acquired with the land on which the crops or timber were grown, so much of the consideration for which the crops or timber were acquired as is attributable to the amount of the crops or timber sold by the taxpayer in the year of assessment;
- (m) the amount of any expenditure incurred by the taxpayer during the year of assessment in carrying out experiments and research relating to his trade, other than capital expenditure on plant, machinery, land or premises or on the acquisition by the taxpayer of rights, whether for the purpose of his trade or otherwise;
- (n) any sum contributed by the taxpayer during the year of assessment in respect of expenditure incurred by any other person to which paragraph (m) would have applied had the expenditure been incurred by the taxpayer:

Provided that the deduction shall not exceed an amount arrived at by applying the following formula—

$$\frac{A \times B}{C}$$

in which—

- A represents the amount of the contribution by the taxpayer;
- B represents the amount of the expenditure incurred by the other person referred to in this paragraph which would have been allowed as a deduction in terms of paragraph (m) had it been incurred by the taxpayer;
- C represents the amount of the expenditure which is incurred by the other person referred to in this paragraph in carrying out experiments and research;
- (o) an amount equal to the sum contributed by the taxpayer during the year of assessment to a scientific or educational society or institution or other like body of a public character approved by the Commissioner if the taxpayer has stipulated that the sum must be utilized by such society, institution or

body, as the case may be, solely for the purpose of industrial research or scientific experimental work connected with the trade of the taxpayer;

Amended by Act 15/2002 from the 1st January, 2003,
and by the Finance (No.3) Act 10/2009 with effect from the year of assessment beginning on the 1st January, 2010 by deleting the doubling of ' the sum'.

- (p) any sum contributed by the taxpayer during the year of assessment in the form of a grant, bursary or scholarship to enable any person not connected with the taxpayer to take a course of technical education related to the trade of such taxpayer at any educational institution.

For the purposes of this paragraph—

“director” does not include a director—

- (a) whose time, in the opinion of the Commissioner, is wholly occupied in the service of the company; and
- (b) who is unable, either directly or indirectly, to control more than **5%** of the voting rights attaching to all classes of the shares of the company;

“person not connected with the taxpayer” means a person who is not—

- (a) the taxpayer, the spouse or a near relative of the taxpayer or a near relative of the spouse of the taxpayer; or
 - (b) in the case where the taxpayer is a company—
 - (i) an individual controlling the company or the spouse or near relative or nominee of an individual controlling the company or a near relative or nominee of the spouse of an individual controlling the company; or
 - (ii) a director of the company or the spouse or near relative or nominee of a director of the company or near relative or nominee of the spouse of a director of the company;
- (q) any amount paid by way of an annuity, allowance or pension during the year of assessment by the taxpayer—
- (i) to a **former employee** who has retired from the taxpayer's employment on the grounds of ill-health, infirmity or old age; or
 - (ii) to a **former partner** who has retired from the former partnership on the grounds of ill-health, infirmity or old age; or
 - (iii) to any person who is dependent for his maintenance upon a former employee or former partner of such taxpayer or, where such former employee or former partner is deceased, was so dependent immediately prior to his death:

Provided that—

(i) the deduction allowable in terms of this paragraph shall not exceed—

(a) under subparagraph (i), an amount of **\$zw250 000** or **US\$ 500** in respect of any one former employee or, if that former employee received any amount by way of a pension or annuity during the year of assessment from any fund, wherever situated, of which the former employee contributed in respect of that former employee, an amount of **\$65 000** reduced by the amount of that pension or annuity;

(b) under subparagraph (ii), an amount of **zw\$100 000** or **US\$ 200** in respect of any one former partner or, if that former partner received any amount by way of a pension or annuity during the year of assessment from any fund, wherever situated, to which the former partnership contributed in respect of that former partner, an amount of **\$100 000** reduced by the amount of that pension or annuity;

Amended in US\$ by Act 5/2009 w.e.f. 30th September, 2009;
-further amended duly re-designated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
threshold increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
further by Finance Act 7/2021 w.e.f. 1st January, 2022;
further by Finance Act 8/2022 w.e.f. 24th October, 2022.

Provided that—

(i) the deduction allowable in terms of this paragraph shall not exceed—

(a) under subparagraph (i), an amount of **\$40 000** in respect of any one former employee or, if that former employee received any amount by way of a pension or annuity during the year of assessment from any fund, wherever situated, of which the former employee contributed in respect of that former employee, an amount of **\$40 000** reduced by the amount of that pension or annuity; or

Amended in US\$ by Act 5/2009 w.e.f. 30th September, 2009;
further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;

amended by Act 13/2019 w.e.f. 31st December, 2019;
threshold increased by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020.

(b) under subparagraph (ii), an amount of **\$16 000** in respect of any one former partner or, if that former partner received any amount by way of a pension or annuity during the year of assessment from any fund, wherever situated, to which the former partnership contributed in respect of that former partner, an amount of **\$16000** reduced by the amount of that pension or annuity; or

Amended in US\$ by Act 5/2009 w.e.f. 30th September, 2009;
further amended re-designated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
increased by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
further by Finance Act 8/2022 w.e.f. 24th October, 2022.

(c) under subparagraph (iii), an amount of **\$100 000** in respect of persons so dependent on any one retired or deceased former employee or former partner, as the case may be, or, if those persons so dependent received any amount by way of pensions or annuities during the year of assessment from any fund, wherever situated, to which the former employer or former partnership, as the case may be, contributed in respect of that retired or deceased former employee or former partner, as the case may be, **\$100 000** reduced by the amount of those pensions or annuities;

Amended in US\$ by Act 5/2009 w.e.f. 30th September, 2009;
further amended re-designated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
increased by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020.

(ii) **no deduction** shall be allowed in terms of this paragraph in respect of a former employee if the remuneration paid to the former employee during his employment with the taxpayer was a **domestic or private expense** of the taxpayer.

For the purposes of this paragraph—

“former partner”, in relation to a taxpayer, means a person who was a member of a partnership—

- (a) of which the taxpayer was a member; or
- (b) of which any other person with whom the taxpayer is in partnership was a member; or

(c) which was a predecessor of any partnership of which the taxpayer is or was a member;

and “**former partnership**” shall be construed accordingly;

(r) any amount paid by the taxpayer during the year of assessment, without any consideration whatsoever, to—

(i) the National Scholarship Fund established in terms of the [Public Finance Management Act \[Chapter 22:19\]](#); or

(ii) the National Bursary Fund established in terms of the [Public Finance Management Act \[Chapter 22:19\]](#)

(iii) a **charitable trust** administered by—

A. the Minister responsible for Social Welfare; or

B. the Minister responsible for Health;

in his capacity as such, or by any official in his Ministry, in his official capacity;

Subpara (iii) inserted by Act 13/1996 from 1 April 1996.
the I.Cultural Institute was not a Trust *MW (Pvt) Ltd v Zimra* [19-HH-806](#)
Compare *MW (Pvt) Ltd v Zimra* 22-HH-022 which held that it was, and so reversed the tax assessed and paid on the donation made to the Institute in 2014.

[\(r1\)](#) 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:

Para (r1) inserted by Finance Act (No. 2) of 1999 from 1st January 2000;
subpara (iii) amended by Act 29 of 2004 from the 1st January, 2005.

Provided that the deduction allowable under this paragraph shall not exceed, **US\$ 100 000** converted at the auction rate prevailing on the day the donation is made;

proviso amended by Act 10/2003 from 1st January, 2004; by Act 29 of 2004 from 1st January, 2005; by Act 12/2006 from 1st January, 2007; by Act 16 of 2007 increasing the limit beyond \$ 20 billion w.e.f. 1st January, 2008 and by the reduction to \$ 2.00 with effect from 1st August, 2008 i.t.o SI 109/2008;
then increased to zw 20 billion by SI 149 of 2008, gazetted on the 23rd October, 2008 backdated to 1st October, 2008, and ending the 31st December, 2008;

then increased to the above limit by Act 3/2009 w.e.f. 1st January, 2009;
further amended re-designated from US\$ to zw\$ 1 million by Act 7/2019 w.e.f. 21st August, 2019
amended by Act 13/2019 w.e.f. 31st December, 2019; re-designated from zw back to \$US\$ by section
11 of Act 8/2020 gazetted on the 28th October, 2020 w.e.f. the **1st April, 2020**;
deduction increased by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
substituted by Finance Act 7/2021 gazetted on the 31 December, 2021 w.e.f. 1st January, 2022;
Amount converted **to zwl 50 million** by Finance Act 8/2022 w.e.f. 24th October, 2022.

([r 2](#)) any amount paid by the taxpayer during the year of assessment, without any consideration whatsoever, to a **research institution** approved by the Minister responsible for higher or tertiary education:

[Para ([r 2](#)) inserted by Act 27 of 2001 from 1st January, 2002]

Provided that the deduction allowable under this paragraph shall not exceed **US\$100,000**;

proviso increased from \$10 million by Act 15/2002 from 1st January, 2003,
further from \$20 million by Act 10/2003 from 1st January, 2004,
further from \$100 million by Act 29 of 2004 from 1st January, 2005;
further by Act 12/2006 from 1st January, 2007; by Act 16 of 2007 increasing the limit of the deduction beyond \$ 25 million w.e.f. the year of assessment beginning on the 1st January, 2008;
and by the reduction from \$ 20 billion to \$ 2.00 w.e.f. 1st August, 2008 i.t.o SI 109/2008, without any increase beyond the above reduced limit by SI 149 of 2008 –
then increased by Act 3/2009 w.e.f. 1st January, 2009,
further amended re-designated from US\$ to zw\$ by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
deduction increased by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
amount converted **to zwl 50 million** by Finance Act 8/2022 w.e.f. 24th October, 2022;
increased by Finance Act 13/2023 w.e.f. 29th December, 2023.

([r 3](#)) 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 **Education**—

- (i) the purchase of educational equipment for a school operated by the State, a local authority or a religious organization; or
- (ii) the construction, extension or maintenance of a school operated by the State, a local authority or a religious organization; or
- (iii) the procurement of books or other educational materials to be used in a school operated by the State, a local authority or a religious organisation:

Provided that the deduction allowable under this paragraph shall not exceed **US\$100,000** .

Para ([r 3](#)) inserted by Act 27 of 2001 from 1st January, 2002;
proviso increased from ten million by Act 15/2002 from 1st January, 2003,
further from twenty million by Act 10/2003 from 1st January, 2004;

further from 100 million by Act 29 of 2004 from 1st January, 2005;
 by Act 12/2006 from 1st January, 2007;
 further by Act 16 of 2007 increasing the limit of the deduction beyond \$ 25 million w.e.f. the year of assessment beginning on the 1st January, 2008;
 and by the reduction from \$ 20 billion to \$ 2.00 with effect from 1st August, 2008 i.t.o SI 109/2008;
 and then increased to the above limit by SI 149 of 2008, gazetted on the 23rd October, 2008 backdated to the new period; beginning on the 1st October, 2008, and **ending the 31st December, 2008** – apparently in breach of [Section 3\(2\) of this Act](#) – See **Note** thereunder regarding backdating;
 and then increased to the above limit by Act 3/2009 w.e.f. 1st January, 2009;
 and further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
 amended by Act 13/2019 w.e.f. 31st December, 2019;
 deduction increased by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
 amount converted to **zwl 50 million** by Finance Act 8/2022 w.e.f. 24th October, 2022;
 increased by Finance Act 13/2023 w.e.f. 29th December, 2023.

- ([r 4](#)) any amount paid by the taxpayer during the year of assessment, without any consideration whatsoever, to the Public Private Partnership Fund:

Provided that the deduction allowable under this paragraph shall not exceed **US\$50 000**;

Para ([r 4](#)) inserted by Finance Act 10/2003 from 1st January, 2004
 and reduced from **\$ 100 million** to the above limit w.e.f. 12/8/06 i.t.o. Act 12/06 and w.e.f. 1st August, 2008 i.t.o SI 109/2008 ;
 amended in US\$ by Act 5/2009 w.e.f. the 30th September, 2009 and further amended redesignated from US\$ to zw\$ by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019 amended by Act 13/2019 w.e.f. 31st December, 2019; deduction increased by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020 : and to zwl 25 million by Finance Act 8/2022 w.e.f. 24th October, 2022;
 increased by Finance Act 13/2023 w.e.f. 29th December, 2023.

- ([r 5](#)) any amount paid by the taxpayer during the year of assessment, without any consideration whatsoever, to the Destitute Homeless Persons Rehabilitation Fund, being a fund established by the Ministry of Finance under the [Public Finance Management Act \[Chapter 22:19\]](#) to alleviate the condition of destitute homeless persons:

Para ([r 5](#)) inserted by Finance Act 29 of 2004 from the 1st January, 2005

Provided that the deduction allowable under this paragraph shall not exceed **US\$50 000**;

proviso reduced from **\$ 500 million** to the above limit w.e.f. 12/8/06 i.t.o. Act 12/06 and w.e.f. 1st August, 2008 i.t.o SI 109/2008;
 amended in US\$ by Act 5/2009 w.e.f. the 30th September, 2009 further amended redesignated from US\$ to zw\$ by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019 amended by Act 13/2019 w.e.f. 31st December, 2019; deduction increased by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020 and to zwl 25 million by Finance Act 8/2022 w.e.f. 24th October, 2022.

- (s) any subscription paid during the year of assessment by the taxpayer in respect of his continued membership for any period of any business, trade, technical or professional association;

- (t) in respect of income from a business, the amount of any expenditure which—
- (i) is incurred by the taxpayer not more than 18 months before beginning a business in the course of establishing the business; and
 - (ii) would have been allowed as a deduction had it been incurred after beginning the business; and
 - (iii) is claimed as a deduction in the year of assessment in which the business is commenced;

W v COT [80-ITC-1323](#)

- (u) in respect of income derived by the taxpayer from the carrying on of a trade, an amount equal to the value, determined for the purposes of subparagraphs (i) and (iv) of paragraph (h) of the definition of “gross income” in [subsection \(1\) of section eight](#), of the **trading stock** belonging to the taxpayer which had not been disposed or for which was attached in pursuance of an order of court at the end of the immediately preceding year of assessment. For the first year of assessment under this Act, the value of the trading stock included in the gross income of the taxpayer for the last year of assessment in terms of the previous law or which would have been included had he been liable for tax, shall be the value of the trading stock to be deducted for the purposes of this paragraph;
- (v) in respect of income derived by the taxpayer during any year of assessment from the carrying on of a trade, an amount equal to the amount which the Commissioner considers was at the date it was brought to hand, or at the date it was acquired, whichever the Commissioner may decide, the fair and reasonable value of such of the trading stock of the taxpayer as was acquired by the taxpayer otherwise than in the ordinary course of trade:
- Provided that in no case other than that of inheritance by a beneficiary in a deceased estate shall the deduction exceed the amount which would have been allowed as a deduction to the person from whom the stock was acquired had it been sold by such person in the ordinary course of trade;
- (w) any expenditure not exceeding **US\$50 000** incurred by the taxpayer during the year of assessment in attending during that year—

increased by Act 15/2002 from 1st January, 2003,
further increased by Act 10/2003 from 1st January, 2004
and further increased from 5 million by Act 29 of 2004 from 1st January, 2005,
by Act 12/2006 from 1st January, 2007 and further by Act 16 of 2007 increasing the limit of the
deduction beyond \$ 1 million w.e.f. 1/1/08;
and by the reduction from \$ 7.5 billion to **\$ 0.75** with effect from **1st August, 2008** i.t.o **SI 109/2008**;
increased to the zw\$1.25 billion by **SI 149 of 2008**, gazetted on the 23rd October, 2008 backdated to
the period beginning on the 1st October, 2008, and **ending the 31st December, 2008** – apparently in
breach of [Section 3\(2\) of this Act](#) – See **Note** thereunder regarding backdating –
and then increased to the above limit by Act 3/2009 w.e.f. 1st January, 2009
and further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st
August, 2019 amended by Act 13/2019 w.e.f. 31st December, 2019: deduction increased by the

Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020. and to zwl 1,250 000 by Finance Act 8/2022 w.e.f. 24th October, 2022;
increased by Finance Act 13/2023 w.e.f. 29th December, 2023.

- (i) not more than 1 convention which, in the opinion of the Commissioner, was in connection with the trade carried on by the taxpayer; or
- (ii) **not more than 1 trade mission**, approved by the Minister, in connection with the trade carried on by the taxpayer:

Provided that—

- (i) if any such convention or trade mission commences in one year of assessment and ends in another, then for the purposes of this paragraph the convention or trade mission shall be deemed to have been attended, and the expenditure shall be deemed to have been incurred, in the year of assessment in which the convention or trade mission ends;
- (ii) where the person attending such convention or trade mission is a member of a **partnership** and the expenditure has been incurred by the partnership, the deduction shall be allowed in respect of 1 convention or trade mission for each partner to the extent of the expenditure incurred by the partnership in connection with the attendance or **US\$3,600**, whichever is the lesser, and shall be allowed to that person and to the other members of that partnership in the same proportion as each member shares in the profits or losses of the partnership during the year of assessment in which the expenditure was incurred or deemed to have incurred in terms of proviso (i);

Increased by Finance Act 8/2022 w.e.f. 24th October, 2022
increased by Finance Act 13/2023 w.e.f. 29th December, 2023.

(x)...

Repealed by s 7 of Act 17 of 1995 from 1 April 1996.

- (y) in respect of income derived by a co-operative agricultural company or co-operative society—
 - (i) any amount distributed during the year of assessment by way of discounts, rebates or bonuses granted by the company or society to shareholders, members or other persons in respect of amounts paid or payable by or to them on account of their transactions with the company or society; and
 - (ii) an amount calculated at the rate of one dollar for each dollar by which the taxable income of such company or society, before the deduction of any allowance in term of this subparagraph, is less than **US\$500**:

amount increased from \$15 by Act 18/2000 from the 12th January, 2001;
then limit reduced from \$15 000 to the above limit w.e.f. 12/8/06 i.t.o. Act 12/06 and w.e.f. 1st
August, 2008 i.t.o SI 109/2008;
amended in US\$ by Act 5/2009 w.e.f. the 30th September, 2009;
further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August,
2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
deduction increased by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
increased by Finance Act 8/2022 w.e.f. 24th October, 2022;
increased by Finance Act 13/2023 w.e.f. 29th December, 2023.
D v COT 99-ICT-1669

Provided that—

- (i) if, in the opinion of the Commissioner, the company or society and one or more other co-operative agricultural companies or co-operative societies are under the management or control of the same persons, the deduction allowable under this subparagraph shall not exceed an amount determined by applying the formula—

$$\frac{A}{A + B} \times C$$

in which—

A represents the taxable income of the company or society before the deduction of any allowance in terms of this subparagraph;

B represents the total of the taxable income of such other companies or societies before the deduction of any allowance in terms of this subparagraph;

C represents the amount that would have been calculated in terms of this subparagraph if such amount had been calculated on the total of the taxable incomes, before the deduction of any allowances in terms of this subparagraph, of the company or society and such other companies or societies;

- (ii) the deduction allowable in terms of this subparagraph shall not exceed the taxable income of the company or society calculated before the deduction of any allowance in terms of this subparagraph;

For the purposes of this paragraph—

“co-operative agricultural company” means a co-operative company which is registered under the [Companies and Other Business Entities Act \[Chapter 24:31\]](#) and which by its articles provides that only—

- (a) a person carrying on farming operations for the benefit of himself in Zimbabwe, either exclusively or in conjunction

with some other person or with some other business,
profession or occupation; or

(b) another co-operative agricultural company; or

(c) a co-operative society;

shall be admitted to membership;

“co-operative society” means a co-operative society which is registered in terms of the [Co-operative Societies Act \[Chapter 24:05\]](#);

(z) in addition to the deductions allowable in terms of this subsection, a farmer shall be entitled in respect of his farming operations to the deductions for which provision is made in the *Seventh Schedule*;

(aa) the amount of any costs, taxed by the registrar of the High Court during the year of assessment and not recovered from any source whatsoever, incurred by the taxpayer in connection with an appeal made in terms of [section sixty-five](#), if—

(i) the appeal is allowed in full; or

(ii) the appeal is allowed to a substantial degree and the High Court or the Special Court, as the case may be, directs that such costs shall be allowed as a deduction in terms of this paragraph:

Provided that—

(i) if any determination of the High Court or the Special Court is reversed, affirmed or amended by the Supreme Court on an appeal in terms of [section sixty-six](#), no deduction shall be made in terms of this paragraph unless the decision of the Supreme Court is wholly or substantially favourable to the taxpayer and the Supreme Court directs that such costs shall be allowed as a deduction in terms of this paragraph;

(ii) no deduction shall be made in terms of this paragraph until the time for noting an appeal in terms of [section sixty-six](#) has lapsed or any appeal so noted has been heard and determined and any costs shall be deemed not to have been taxed until such lapse or determination;

(bb) the amount of any costs, taxed by the registrar of the Supreme Court during the year of assessment and not recovered from any source whatsoever, incurred by the taxpayer in connection with an appeal made in terms of [section sixty-six](#), if —

(i) the decision of the Supreme Court is wholly or substantially favourable to the taxpayer; and

(ii) the Supreme Court directs that such costs shall be allowed as a deduction in terms of this paragraph.

- (cc) if the taxpayer so elects, an allowance of such amount as may be fixed by the Commissioner in respect of such expenditure or losses, not being expenditure or losses of a capital nature, as he considers will be incurred by the taxpayer after the end of the year of assessment and will be directly related to gross income received by or accrued to the taxpayer during the year of assessment in respect of services to be rendered or goods to be delivered after the end of the year of assessment:

Provided that—

- (i) such allowance shall be reduced by the amount of any expenditure or losses, not being expenditure or losses of a capital nature, which are incurred during the year of assessment and which are directly related to gross income to be received or to accrue after the end of the year of assessment in respect of services rendered or to be rendered or goods delivered or to be delivered;
- (ii) such allowance, after any reduction in terms of proviso (i), shall be included in the income of the taxpayer for the following year of assessment.

- (dd) in addition to the deductions allowable in terms of this subsection a person operating a business in a **growth point area** shall be entitled for the year of assessment beginning on the 1st April, 1981, and any subsequent year of assessment in respect of such operations to the deductions for which provision is made in the *Fourteenth Schedule*;
- (ee) in respect of **petroleum operations**, the allowances and deductions for which provision is made in the *Twentieth Schedule in lieu* of the allowances and deductions provided for under the other paragraphs of this subsection.
- (ff) in respect of **special mining lease operations**, the allowances and deductions for which provision is made in the *Twenty-Second Schedule in lieu* of the allowances and deductions provided for under the other paragraphs of this subsection;
- (gg) the amount of any export-market development expenditure incurred by the taxpayer during the year of assessment, together with an amount equal to 100% of such expenditure.

For the purposes of this paragraph—

“**export market development expenditure**” means expenditure, not being expenditure of a capital nature, that is proved to the satisfaction of the Commissioner to have been incurred wholly or exclusively for

the purpose of seeking opportunities for the export of goods from Zimbabwe or of creating or increasing the demand for such exports and, without derogation from the generality of the foregoing, includes expenditure for any one or more of the following purposes—

- (i) research into, or the obtaining of information relating to, markets outside Zimbabwe;
- (ii) research into the packaging or presentation of goods for sale outside Zimbabwe;
- (iii) advertising goods outside Zimbabwe or otherwise securing publicity outside Zimbabwe for goods;
- (iv) soliciting business outside Zimbabwe or participating in trade fairs;
- (v) investigating or preparing information, designs, estimates or other material for the purpose of submitting tenders for the sale or supply of goods outside Zimbabwe;
- (vi) bringing prospective buyers to Zimbabwe from outside Zimbabwe;
- (vii) providing samples of goods to persons outside Zimbabwe;

“goods” means anything that has, in Zimbabwe, been manufactured, produced, grown, assembled, bottled, canned, packed, graded, processed or otherwise dealt with in such manner as the Commissioner may approve;

- (hh) the amount of any tobacco levy paid in the year of assessment in terms of [section thirty-six A](#);
- (jj) an amount representing the fair value of any stock, shares, debentures, units or other interest paid or given by the taxpayer to an employee of the taxpayer or for the benefit of an employee of the taxpayer pursuant to an approved employee share ownership scheme or trust.

Paragraphs (gg) and (hh) repealed by Act 18/2000 from the 1st January, 2001, and re- inserted with a new para (jj) by Act No.27 of 2001 from 1st January, 2002.
Old Mutual Zimbabwe Ltd v Commissioner-General of Zimra & Zimra [16-HH-143](#)

- (kk) an amount paid by the taxpayer during the year of assessment in respect of expenditure approved by the Minister responsible for Local Government at the request of the Local Authority concerned for the maintenance of any one or more of the following things managed or owned by the Local Authority—
 - (i) buildings;
 - (ii) roads;

- (iii) bridges;
- (iv) sanitation works;
- (v) water works;
- (vi) public parks;
- (vii) any other utility, amenity or item of infrastructure approved by the Minister responsible for Local Government:

Provided that the deduction allowable under this paragraph shall not exceed **US\$50 000**.

Paragraph (kk) inserted by Act 10/2003 from the 1st January, 2004;
 amended in US\$ by Act 5/2009 w.e.f. the 30th September, 2009;
 further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
 amended by Act 13/2019 w.e.f. 31st December, 2019;
 deduction increased by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
 increased by Finance Act 8/2022 w.e.f. 24th October, 2022;
 increased by Finance Act 13/2023 w.e.f. 29th December, 2023.

(//) an amount—

- (i) of any contribution or donation paid by a taxpayer in the year of assessment to a **community share ownership trust** or scheme established by the taxpayer in compliance with the [Indigenisation and Economic Empowerment Act \[Chapter 14:33\]](#);

Donations to preserve the appellant's income-earning structure *Unki Mine (Pvt) Ltd v ZIMRA* [22-SC-015](#).

- (ii) equivalent to the value of the shares of a corporate taxpayer that are lent in the year of assessment to an indigenisation partner of the taxpayer pursuant to a **corporate vendor-financed loan** (this deduction to be allowed in equal annual instalments over the period of the loan);
- (iii) (*of) interest payable by an indigenisation partner in the year of assessment on any loan advanced to him or her to purchase shares in the company of which he or she is an indigenous partner;

For the purposes of this paragraph—

“community share ownership trust or scheme” means such a scheme approved in terms of the Indigenisation and Economic Empowerment (General) Regulations, 2010, published in [SI 21/2010](#);

“corporate vendor-financed loan” means a loan of shares in a corporate taxpayer to an aspirant shareholder of that taxpayer which are purchased by the aspirant shareholder

by means of dividends forgone on those shares in favour of the taxpayer;

“indigenisation partner” means an indigenous person who benefits (whether as an employee or in any other capacity) under an indigenisation implementation plan approved in terms of the Indigenisation and Economic Empowerment (General) Regulations, 2010, published in [SI 21/2010](#);

- (mm) the amount of a lump sum contribution made by an employer in the year of assessment concerned towards capitalising a pension fund of which his or her employees are members, that is to say, an amount which the Commissioner is satisfied, on the basis of—
- (i) an **actuarial certificate** furnished to the Commissioner by or on behalf of the employer; and
 - (ii) a **certificate by the Minister** (issued after consultation with Insurance and Pensions Commission) to the effect that, having taken the actuarial certificate into account, the Minister is satisfied that the lump sum contribution made by the employer will result in increased pensions or benefits for persons who are or have been members of the pension fund, which increased pensions or benefits will be fair and not unfairly discriminate against or unfairly prejudice any class of persons who are or have been members of the pension fund;

For the purposes of this paragraph —

“actuarial certificate” means a certificate issued by an actuary;

“actuary” means a person who is a member or fellow of an institute, faculty, society or association of actuaries approved by the Pensions and Insurance Commission for the purposes of the [Insurance Act \[Chapter 24:21\]](#);

“Insurance and Pensions Commission” means the Insurance and Pensions Commission established by [section 3 of the Insurance and Pensions Commission Act \[Chapter 24:21\]](#);

“pension fund” means a pension fund registered in terms of the [*Pension and Provident Funds Act \[Chapter 24:32\]](#).

Paragraph (mm) inserted by Finance (No.3) Act 11 of 2014 w.e.f. 6th January, 2015
This *Act replaced [Chapter 24:09](#) on the 2nd September, 2022- editor]

- (nn) the amount of any expenditure related to technical and support services that is incurred by a taxpayer who is an anchor company to an **outgrower farmer** during the year of assessment, together with an amount equal to **50%** of such expenditure.

For the purposes of this paragraph —

“anchor company” means a company that provides inputs, agronomic advice and marketing opportunities to a group of outgrower farmers and small or medium enterprises;

“expenditure related to technical and support services” means such items of expenditure as the Minister shall specify in regulations made under [section ninety](#);

“outgrower farmer” means a farmer who is a party to a scheme or contract whereunder an anchor company supplies inputs, agronomic advice and marketing opportunities in return for the outgrower farmer selling or delivering the contract or scheme produce to the anchor company or other person designated by the scheme or contract;

subparagraph (nn) inserted by the Finance Act 1 of 2018 w.e.f. the year of assessment beginning on the 1st January, 2018 corrected by SI 188/2018.

(oo) the amount of any expenditure incurred by a prescribed company under a BOT and BOOT public private partnership agreement on projects and related off-site infrastructure.

Subparagraph (oo) inserted by the Finance (No.2) Act 10/2020 w.e.f. 1st January, 2021.

For the purposes of this sub-paragraph—

“BOT public private partnership agreement” and **“BOOT public private partnership agreement”** bear the meanings assigned to those terms in paragraphs 3 and 5 of Part III of the Fourth Schedule to the [Zimbabwe Investment and Development Agency Act \[Chapter 14:38\]](#);

“prescribed company” means a company prescribed for the purposes of this paragraph by the Minister by notice in the *Gazette*.

(2a) No tax invoice for the supply of goods or services subject to value added tax in terms of the [Value Added Tax Act \[Chapter 23:12\]](#) shall be submitted to the Commissioner in proof of any expenditure qualifying for deduction under [subsection \(2\)](#) unless it is 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 of the Value Added Tax Act \[Chapter 23:12\]](#).

[Subsection \(2a\)](#) inserted by Finance (No. 2) Act 10 of 2022 w.e.f. 1st January, 2023.

(3) Subject to this section, from the amount of income remaining after the deductions referred to in [subsection \(2\)](#) and [sections seventeen](#) and [eighteen](#) have been made, there shall be deducted any assessed loss determined in respect of the previous year of assessment:

Provided that—

(i) no taxpayer who—

- (a) has been adjudged or otherwise declared or become insolvent; or
- (b) has made an assignment of his property or estate for the benefit of his creditors;

shall be entitled to carry forward an assessed loss incurred before the date he was adjudged or otherwise declared or become insolvent or made the assignment, as the case may be;

(ii) if during any year of assessment there is a change in the shareholding of a company with an assessed loss or in the shareholding of any company which directly or indirectly controls any company with an assessed loss and the Commissioner is satisfied that such change has been effected solely or mainly in pursuance of or in connection with any scheme for taking advantage of such assessed loss, no assessed loss incurred prior to that change shall be deductible.

For the purposes of this proviso a company shall be deemed to be controlled by another company if the majority of the voting rights attaching to all classes of its shares are held directly or indirectly by such other company;

(iii) if the Commissioner decides that a company with an assessed loss (hereinafter called **“the old company”**)—

- (a) was incorporated outside Zimbabwe; and
- (b) carried on its principal business within Zimbabwe; and
- (c) is about to be wound up voluntarily in its country of incorporation for the purpose of the transfer of the whole of its business and property wherever situate to a company which will be or has been incorporated under any law (hereinafter called **“the new company”**) for the sole purpose of acquiring the whole of the business and property wherever situate of the old company and where—

I. the sole consideration for the transfer will be the issue to the members of the old company of shares in the new company in proportion to their shareholdings in the old company; and

II. no shares in the new company will be available for issue to any persons other than members of the old company;

the new company shall be allowed as a deduction after the transfer referred to in paragraph (c) has been effected, the assessed loss of the old company;

(iv) where taxpayer, whether before, on or after the 1st April, 1991, has carried forward an assessed loss over 2 or more consecutive years of assessment—

(a) subject to paragraph (b), that part of the assessed loss which was determined in respect of the earliest such year shall be deducted first, then that part determined in respect of the next such year, and so on until—

(i) the entire assessed loss has been deducted; or

(ii) there is no further income against which to deduct the assessed loss, in which event, subject to provisos (i), (ii) and (iii), the balance of the assessed loss shall be carried forward to the next year of assessment;

(b) except in the case of an assessed loss or any part thereof arising from mining operations, no part of an assessed loss shall be deducted which was first determined in respect of a year of assessment more than 6 years before the year of assessment in which the deduction is made;

(v) if—

(a) a company which is incorporated under the [Companies and Other Business Entities Act \[Chapter 24:31\]](#) and which has an assessed loss is converted into a private business corporation; or

(b) a private business corporation with an assessed loss is converted into a company in terms of the [Companies and Other Business Entities Act \[Chapter 24:31\]](#);

and the Commissioner is satisfied that such conversion has not been effected solely or mainly in pursuance of or in connection with any scheme for taking advantage of the assessed loss, the new private business corporation or the new company, as the case may be, shall be allowed the assessed loss as a deduction after the conversion.

[Subsection \(3\)](#) amended by Act 13/1996 from 1 April 1996.

(vi) in the case of a person engaged in **mining operations** in more than one mining location who has an assessed loss in respect of the year of assessment ending on the 31st December, 2000, and at the end of any subsequent year of assessment, no such assessed loss shall be allowed as a deduction unless the person concerned submits for the approval of the Commissioner a breakdown showing the extent to which such assessed loss is attributable to each of the locations concerned.

proviso (vi) inserted by Act 18/2000 from the 12th January, 2001.

(4) Where in respect of any amount, a deduction would but for this subsection be allowable under more than one provision of this Act and whether it would be so allowable in respect of the same or different years of assessment, the taxpayer shall not be entitled to claim that such amount shall be deducted more than once and, where the deduction would but for this subsection be allowable under more than one provision of this Act in respect of

the same year of assessment, the taxpayer shall elect under which one of those provisions he wishes to claim such amount as a deduction.

ZIMRA v Murowa Diamonds (Pvt) Ltd [23-SC-085](#)

(5) No assessed loss attributable to **petroleum operations**, as defined in paragraph 1 of the *Twentieth Schedule*, shall be allowable as a deduction to the petroleum operator concerned in respect of any income accruing to him from any trade other than petroleum operations.

(6) No assessed loss shall be allowed as a deduction from income consisting of interest payable by—

(a) any bank, discount house or finance house registered or required to be registered in terms of the [Banking Act \[Chapter 24:20\]](#); or

(b) any building society registered or required to be registered in terms of the [Building Societies Act \[Chapter 24:02\]](#);

in respect of any loan to or deposit with that bank, discount house, finance house or building society.

(7) No assessed loss, as defined in paragraph 1 of the *Twenty-Second Schedule*, shall be allowable as a deduction to the holder of a **special mining lease** in respect of income other than income attributable to special mining lease operations, and no expenditure or loss in respect of any other trade carried on by him shall be allowable against income from special mining lease operations.

(8) No assessed loss attributable to business operations carried on by a taxpayer shall be allowable as a deduction from income received by or accruing to him under a contract of employment.

[Subsection \(8\)](#) inserted by Act 13/1996 w.e.f. the year of assessment beginning on 1 April 1996.

16 Cases in which no deduction shall be made

(1) Save as is otherwise expressly provided in this Act, **no deduction** shall be made in respect of any of the following matters—

(a) the cost incurred by any taxpayer in the maintenance of himself, his family or establishment;

eye operation for lawyer disallowed *L v COT* [91-HH-001](#)

(b) domestic or private expenses of the taxpayer, including expenses incurred in travelling between his home and the place at which he carries on a trade and, in the case of a taxpayer who carries on 2 or more trades which are distinct in nature, between the places at which such trades are carried on;

(c) any loss or expense which is recoverable under any insurance contract or indemnity;

(d) tax upon the income of the taxpayer or interest payable thereon, whether charged in terms of this Act or any law of any country whatsoever;

- (d1) any amount of Intermediated Money Transfer Tax charged in terms of [section 36G of this Act](#);

Para (d1) inserted by sect 8 of Finance Act 1/2019 w.e.f. 13th October, 2018 - declared *ultra vires* by *Milo.M v Minister of Finance* [19-HH-605](#) -against which an appeal has been filed in the Supreme Court;
[section 36G](#) substituted in place of 'section 22G' by section 10 of Finance Act 8/2022 gazetted on the 24th October, 2022.

- (e) income carried to a **reserve fund** or capitalized in any way;

CF (Pvt) Ltd v ZIMRA [18-HH-099](#)
DNS (Pvt) Ltd v ZIMRA [19-HH-722](#)

- (f) so much of any expenditure or loss, including the whole or any part of an assessed loss in a previous year of assessment, as is incurred—
(i) in the production of any amount exempt from income tax in terms of this Part or not derived or deemed to be derived from sources within Zimbabwe;

"T." Ltd. v. Commissioner of Taxes [66-RLR-021](#)

or

- (ii) in connection with any operation or transaction or the carrying on of a trade which would, had any amount been derived as a result, direct or indirect, of the operation or transaction or the carrying on of the trade, have been expenditure or a loss such as is described in subparagraph (i);
- (g) any contribution made by a taxpayer to a fund established for the purpose of providing pensions, annuities or sickness, accident or unemployment or other benefits for employees or the widows, children, dependants or nominees of deceased employees or for all or any of those purposes;
- (h) interest which might have been earned on any capital employed in trade;
- (i) the rent of, or cost of repairs to, any premises not occupied for the purposes of trade, or any dwelling-house or domestic premises, **except such part** thereof as may be occupied for the **purposes of trade**;
- (j) any expenditure incurred by the taxpayer in pursuance of an obligation imposed on him under an agreement which restrains another person from selling goods other than those supplied to him by the taxpayer;
- (k) any expenditure incurred by a taxpayer in **leasing a passenger motor vehicle** as defined in subparagraph (2) of paragraph 14 of the *Fourth Schedule* and first leased—
(i) in or after the year of assessment beginning on the 1st April, 1986, but before the **1st April, 1991**, to the extent that such expenditure, when added to expenditure incurred in any previous year in leasing the same vehicle, exceeds **\$ 22 000**;

- (ii) in the year of assessment beginning on the 1st April, 1991, to the extent that such expenditure, when added to expenditure incurred in any previous year in leasing the same vehicle, exceeds **\$ 30 000** ;
- (iii) in or after the year of assessment beginning on the 1st April, 1992, but before the **1st April, 1995**, to the extent that such expenditure, when added to expenditure incurred in any previous year in leasing the same vehicle, exceeds **\$ 50 000** ;
- (iv) in or after the year of assessment beginning on the 1st April, 1995, but before the **1st January, 1999**, to the extent that such expenditure, when added to expenditure incurred in any previous year in leasing the same vehicle, exceeds **\$ 75 000** ;

Amended by Act 29 of 1998 from 1 January 1999.

- (v) in or after the year of assessment beginning on the **1st January, 1999**, to the extent that such expenditure, when added to expenditure incurred in any previous year in leasing the same vehicle, exceeds **\$ 200 000** ;

substituted below by Finance Act of 2021 w.e.f....,2021

- (vi) in or after the year of assessment beginning on the **1st January, 2021**, to the extent that such expenditure, when added to expenditure incurred in any previous year in leasing the same vehicle, exceeds **US\$50 000**;

Inserted by Act 29 of 1998 from the 1 January 1999
increased by Finance Act 13/2023 w.e.f. 29th December, 2023.

- (vi) in or after the year of assessment beginning on the **1st January, 2009**, to the extent that such expenditure, when added to expenditure incurred in any previous year in leasing the same vehicle, exceeds **\$ 5 million**;

Inserted by Act 5/2009 w.e.f. the 30th September, 2009;
further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
amount increased by the Finance (No.2) Act 10/2020 w.e.f. 1st January, 2021;
increased by Finance Act 8/2022 w.e.f. 24th October, 2022.

- (l) the cost of any shares awarded by any company to any employee.

For the purposes of this paragraph **“employee”** includes a director.

- (m) any expenditure incurred by any taxpayer on entertainment whether directly or by the provision of any allowance to any employee to incur expenditure or entertainment on behalf of the taxpayer.

For the purposes of this paragraph—

“employee” includes a director;

“entertainment” includes hospitality in any form;

lunch taken at the work place in the mine or the canteen *SZ (Pvt) Ltd v Zimra* [20-HH-142](#)
-hospitality test to be applied where canteen meals provided in a bakery *IAB Company v Zimra* [22-HH-032](#)

- (n) any expenditure incurred in the production of any income referred to in proviso (i) to [subsection \(2\) of section twelve](#);
- (o) any expenditure incurred in the production of income consisting of interest payable by—

Para (o) amended by s 82 of & the Schedule to the Banking Act [\[Chapter 24:20\]](#)

- (i) any bank, discount house or finance house registered or required to be registered in terms of the [Banking Act \[Chapter 24:20\]](#); or
- (ii) any building society registered or required to be registered in terms of the [Building Societies Act \[Chapter 24:02\]](#);

in respect of any loan to or deposit with that bank, discount house, finance house or building society.

(p).....

Para (p) repealed by Act 15/2002 from the 1st January, 2002.

- (q) any expenditure incurred by a local branch or subsidiary of a foreign company, or by a local company or subsidiary of a local company, in **servicing any debt** or debts contracted in connection with the production of income to the extent that such debt or debts cause the person to exceed a debt to equity ratio of **3 : 1** (for the purpose of this paragraph, “**equity**” means issued and paid-up capital, unappropriated profits, reserves, realised reserves and interest-free loans from shareholders):

[Improper to split the payments of expenditure into segments some deductible and some not deductible. *NOC (Pvt) Ltd v ZIMRA* [19-HH-765](#)
para (q) substituted by the Finance Act 1 of 2018 w.e.f. the year of assessment beginning on the 1st January, 2018,

Provided that this paragraph shall not apply if the debt or debts in question—

proviso substituted by Finance (No.2) Act 7/2019 gazetted on the 21st August 2019 w.e.f. **1st August, 2019.**

- (i) are contracted by a local company or subsidiary of a local company with a locally domiciled, registered or incorporated financial institution or other person ordinarily resident in Zimbabwe, and the contracting parties are not associated with each other within the meaning contemplated in [section twoA](#), and have

not colluded for the purpose of avoiding tax by the application of this proviso;

(ii) are contracted through a Government credit facility by a public entity as defined in the Public Entities Corporate Governance Act [Chapter *10:33]

Editor has corrected this *Chapter to read as above

(r) in the case of expenditure incurred on **fees**, administration and management in favour of a company of which the taxpayer is an associated enterprise, or (where the company is a **foreign company**) the local branch—

100% penalty applied for deliberately invoking the inapplicable provisions of [s 15 \(2\)\(cc\)](#). *GFZ Ltd v Zimra* [19-HH-843](#)
TL v Zimra [20-HH-413](#)

(i) **incurred prior to** the commencement of trade or the production of income or during any period of non-production, any amount in excess of **0,75%** of the amount obtained by applying the following formula—

$$A - (B + C)$$

where —

A represents the total expenditure qualifying for deduction in terms of [section fifteen](#);

B represents the expenditure on fees or administration and management paid outside Zimbabwe;

MR Bank Ltd v Zimra [19-HH-779](#)

C represents expenditure qualifying for deduction in terms of [section fifteen\(2\)\(f\)\(i\)](#);

(ii) **incurred after** the commencement of trade or the production of income , any amount in excess of **1%** of the amount obtained by applying the above formula:

Para (r) inserted by Act 18/2000 w.e.f. 1st January, 2001; amended by Act 10/2003 w.e.f. 1st January, 2004 ; and substituted by the Finance Act No.2 of 2017 gazetted on 23rd March, 2017 backdated to the 1st January, 2017
MBCA Bank (Pvt) Ltd v Zimra [21-SC-140](#)

(s) any interest expenditure incurred on foreign loans in excess of the interest that would have been payable had the exchange rate used to purchase the foreign currency needed to service the interest on the loan been the same exchange rate as that ordinarily offered to other clients of the financial institution providing or mediating the loan on the date of the transaction in question.

(2) No deduction which is not a deduction in respect of expenditure or loss shall be made in respect of any matter, other than those referred to in [paragraph \(h\)](#) or [\(g\) of subsection \(2\) of section fifteen](#), if the Commissioner decides that the matter is not directly related to the trade carried on by the taxpayer in Zimbabwe.

17 Special provisions relating to hire-purchase or other agreements providing for postponement of passing of ownership of property

If any taxpayer has entered into any agreement with any other person in respect of any property the effect of which is that, in the case of movable property, the ownership shall pass or, in the case of immovable property, transfer shall be effected from the taxpayer to that other person upon or after receipt by the taxpayer of the whole or a certain portion of the amount payable to the taxpayer under the agreement, the whole of that amount shall, for the purposes of this Act, be deemed to have accrued to the taxpayer on the date on which the agreement was entered into:

CF (Pvt) Ltd v ZIMRA [18-HH-099](#)

Provided that—

(i) in the case of **movable** property—

A. the Commissioner, taking into consideration any allowance he has made under [paragraph \(g\) of subsection \(2\) of section fifteen](#), may make such further allowance as under the special circumstances of the trade of the taxpayer seems to him reasonable in respect of all amounts which are deemed to have accrued under such agreement but which have not been received at the close of the taxpayer's accounting period;

B. any allowance so made shall be included as income in his return for the following year of assessment and shall form part of the income of the said taxpayer and for the first year of assessment under this Act the amount to be included shall be the amount of any similar allowance made in the immediately preceding year of assessment in terms of the previous law;

C. if any such agreement has been ceded or otherwise disposed of for valuable consideration by the taxpayer, then no such allowance shall be made by the Commissioner in the year of assessment in which such cession or disposal took place;

(ii) in the case of **immovable** property—

A. the Commissioner shall deduct an allowance determined by applying the following formula—

$$\frac{D \times [E - (F + G)]}{E}$$

in which—

D represents that portion of the amount deemed to have accrued under such agreement which is not receivable at the close of the taxpayer's accounting year;

E represents the amount deemed to have accrued under the agreement;

F represents the cost to the taxpayer of the immovable property so disposed of;

G represents that proportion of development and other charges which the Commissioner considers is applicable to such property;

B. any allowance so deducted shall be included as income in his return for the following year of assessment and shall form part of the income of the said taxpayer;

C. if any such agreement is ceded or otherwise disposed of for valuable consideration by the taxpayer, then no such allowance shall be made by the Commissioner in the year of assessment in which such cession or disposal took place.

18 Special provisions relating to credit sales

If any taxpayer has entered into any agreement with any other person in respect of any movable property the effect of which is that—

- (a) the ownership shall pass to that other person on delivery of the property; and
- (b) the amount payable to the taxpayer under the agreement shall be paid in instalments;

the whole of that amount shall, for the purposes of this Act, be deemed to have accrued to the taxpayer on the date on which the agreement was entered into:

Provided that—

(i) the Commissioner, taking into consideration any allowance he has made under [paragraph \(g\) of subsection \(2\) of section fifteen](#), may make such further allowance as under the special circumstances of the trade of the taxpayer seems to him reasonable in respect of all amounts which are deemed to have accrued under such agreement but which have not been received at the close of the taxpayer's accounting period;

(ii) any allowance made in terms of proviso (i) shall be included as income in his return for the following year of assessment and shall form part of the income of the said taxpayer.

19 Special provisions relating to persons carrying on business which extends beyond Zimbabwe

(1) Where the trade of any person, other than a person carrying on the business of insurance, extends to any country other than Zimbabwe and the Commissioner is satisfied

that it is impossible or impracticable to ascertain the taxable income derived by such person from sources in Zimbabwe in the manner otherwise provided in this Act, such person shall submit to the Commissioner proposals for the determination of his taxable income in some alternative manner.

(2) The Commissioner shall consider the proposals submitted in terms of [subsection \(1\)](#) and, if of the opinion that the taxable income calculated in accordance therewith approaches as closely as possible to that which might be expected to ensue if the general provisions of this Act were applied, may accept the same, and the taxable income so determined for any year of assessment shall be deemed to be the taxable income of such person for that year.

(3) Should no such proposals be submitted, or if the Commissioner is not satisfied with the proposals so submitted, the Commissioner may determine the taxable income in such manner as appears to him most appropriate, having regard to the circumstances of the case.

(4) The foregoing provisions shall apply, *mutatis mutandis*, to the determination of an assessed loss.

19A Non-resident companies: basis of charge to and determination of company tax

section inserted by the Finance Act 2 of 2017 gazetted on 23rd March, 2017 backdated to the 1st January, 2017.

(1) A company not resident in Zimbabwe ("**the non-resident company**") is liable to tax if it carries on a business in Zimbabwe through a permanent establishment in Zimbabwe.

(2) If it does so, it is liable to tax subject to any exceptions provided for by this Act, on all taxable income, wherever arising, that is attributable to its permanent establishment in Zimbabwe.

(3) The taxable income attributable to a permanent establishment of a non-resident company for the purposes of tax may derive from—

- (a) **trade**, that is to say business income arising directly or indirectly through or from the establishment, and
- (b) **investment**, that is to say income from property or rights used by, or held by or for, the establishment.

(4) There shall be attributed to the permanent establishment of a non-resident company the taxable income it would have made if it were a distinct and separate enterprise, engaged in the same or similar activities under the same or similar conditions, dealing wholly independently with the non-resident company.

(5) In applying [subsection \(3\)](#)—

- (a) it shall be assumed that the permanent establishment has the same credit rating as the non-resident company of which it is the permanent establishment, and

- (b) it shall also be assumed that the permanent establishment has such equity and loan capital as it could reasonably be expected to have in the circumstances specified in that subsection; and
- (c) no deduction may be made in respect of costs in excess of those that would have been incurred on the foregoing assumptions; and
- (d) there shall be allowed as deductions any allowable expenses incurred for the purposes of the permanent establishment, including executive and general administrative expenses so incurred, whether in Zimbabwe or elsewhere (in this paragraph “**allowable expenses**” means expenses of a kind in respect of which a deduction would be allowed for tax purposes if incurred by a company resident in Zimbabwe.

19B Meaning of “permanent establishment”

section inserted by the Finance Act (No.2) of 2017 gazetted on 23rd March, 2017 backdated to the 1st January, 2017.

- (1) For the purposes of this Act a company has a permanent establishment in Zimbabwe if, and only if—
 - (a) it has a fixed place of business there through which the business of the company is wholly or partly carried on; or
 - (b) an agent is acting on behalf of the company and in doing so, habitually concludes contracts, or habitually plays the principal role leading to the conclusion of contracts that are routinely concluded without material modification by the company, and these contracts are—
 - (i) in the name of the company; or
 - (ii) 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
 - (iii) for the provision of services by that company.
- (2) The above description is subject to the following provisions—
 - (a) a “**fixed place of business**” includes (without prejudice to the generality of that expression)—
 - (i) a place of management;
 - (ii) a branch;
 - (iii) an office;
 - (iv) a factory;
 - (v) a workshop;
 - (vi) an installation or structure for the exploration of natural resources;

- (vii) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources;
 - (viii) a building site, or construction or installation project.
- (b) a company is not regarded as having a permanent establishment in Zimbabwe by reason of the fact that it carries on business there through an agent of independent status acting in the ordinary course of his or her business (where, however, a person acts exclusively or almost exclusively on behalf of one or more companies to which it is closely related, that person shall not be considered to be an independent agent within the meaning of this paragraph with respect to any such company);
- (c) nor is a company regarded as having a permanent establishment in Zimbabwe by reason of the fact of—
- (i) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
 - (ii) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
 - (iii) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
 - (iv) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;
 - (v) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity;
 - (vi) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs (i) to (v);
- provided that such activity or, in the case of subparagraph (vi), the overall activity of the fixed place of business, is of a preparatory or auxiliary character;
- (d) for the purposes of this section, a person is closely related to a company if, based on all the relevant facts and circumstances, one has control of the other or both are under the control of the same persons or companies. In any case, a person shall be considered to be closely related to *an* company if one possesses directly or indirectly **more than 50%** of the beneficial interest in the other (or, **in the case of a company, more than 50%** of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) or if another person possesses directly or indirectly **more than 50%** of the beneficial interest (or, **in the case of a company, more than 50%** of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) in the person and the company.

20 Special provisions relating to insurance business

(1) In the case of any person carrying on the business of insurance, that part of his taxable income or assessed loss, as the case may be, which is attributable to that business for a year of assessment shall be determined in accordance with the *Eighth Schedule*.

(2) If such person derived income from any source other than insurance, that part of his taxable income or assessed loss, as the case may be, which is attributable to that other source shall be determined in accordance with the general provisions of this Act.

21 Special provisions relating to petroleum operations

(1) In the case of any petroleum operator, that part of the operator's taxable income or assessed loss, as the case may be, attributable to petroleum operations for a year of assessment shall be determined in accordance with the *Twentieth Schedule*.

(2) If a petroleum operator derives income from any trade other than petroleum operations, that part of his taxable income or assessed loss, as the case may be, which is attributable to that other trade shall be determined in accordance with the general provisions of this Act.

22 Special provisions relating to special mining lease operations

(1) In the case of the holder of a special mining lease, that part of the holder's taxable income or assessed loss, as the case may be, which is attributable to special mining lease operations for a year of assessment shall be determined in accordance with the *Twenty-Second Schedule*.

(2) If the holder of a special mining lease derives income from any trade other than special mining lease operations, that part of his taxable income or assessed loss, as the case may be, which is attributable to that other trade shall be determined in accordance with the general provisions of this Act.

23 Special provisions relating to determination of taxable income of persons buying & selling any property at a price in excess of or less than the fair market price & of non-resident persons exporting products of Zimbabwe without prior sale

(1) Where any person carrying on a trade in Zimbabwe purchases any property, whether movable or immovable, from any other person at a price in excess of the fair market price, or where he sells any property, whether movable or immovable, to any other person at a price less than the fair market price, the Commissioner may, for the purpose of determining the taxable income or assessed loss, as the case may be, of such first-mentioned person, determine the fair market price at which such purchase or sale shall be taken into his accounts or returns for assessment.

SDC Ltd v Commissioner General Zimra [18-HH-648](#)]

(2) Where a non-resident person produces, grows, mines, creates, manufactures, fabricates, improves, packs, preserves or constructs, in whole or in part, anything within Zimbabwe, and exports the same without sale prior to the export thereof, he shall be deemed to have derived from a source within Zimbabwe a taxable income corresponding to

the proportionate part of any profit ultimately derived from the sale or disposal thereof outside Zimbabwe and [section nineteen](#) shall apply for the purposes of determining such taxable income.

24 Special provisions relating to determination of taxable income in accordance with double taxation agreements

The Commissioner may—

(a) if any person—

- (i) carrying on business in Zimbabwe participates directly or indirectly in the management, control or capital of a business carried on by some other person outside Zimbabwe; or
- (ii) carrying on business outside Zimbabwe participates directly or indirectly in the management, control or capital of a business carried on by some other person in Zimbabwe; or
- (iii) participates directly or indirectly in the management, control or capital both of a business carried on in Zimbabwe by some other person and of a business carried on outside Zimbabwe by some other person;

and

(b) if conditions are made or imposed between any of the persons mentioned in paragraph (a) in their business or financial relations which, in the opinion of the Commissioner, differ from those which would be made between 2 persons dealing with each other at arm's length;

determine the taxable income of the person carrying on business in Zimbabwe as if such conditions had not been made or imposed but in accordance with the conditions which, in the opinion of the Commissioner, might be expected to have been made or imposed between 2 persons dealing with each other at arm's length.

BAT & Ors v Commissioner of Taxes [94-HH-001](#)
deeming income not actually received to have accrued *CF (Pvt) Ltd v ZIMRA* [18-HH-099](#)
C F (Pvt) Ltd v ZIMRA [18-HH-099](#)

25 Deduction of tax from dividends

Any company incorporated in Zimbabwe shall be entitled to deduct from any dividends on stocks or shares income tax at the rate applicable to a company for the year of assessment immediately preceding the year of assessment within which the dividend was declared or, if no such rate was applicable, at the rate which was last applicable whether in terms of this Act or the previous law:

Provided that in the case of dividends on—

- (a) preference stocks or shares; or

- (b) any stocks or shares in terms of a contract or of the memorandum or articles of association of a company which provides for a stipulated amount or rate of dividend;

the amount so deducted shall not exceed the difference between the amount of such dividends and the minimum benefit to which the holder of the stocks or shares is entitled.

PART IIIA REGISTRATION OF TRADERS AS TAXPAYERS

Part inserted by Finance (No. 2) Act 10 of 2022 gazetted on 30th December, 2022.

25A Interpretation in Part IIIA

In this Part—

“**registrable taxpayer**” means a person—

- (a) carrying on any trade; or
- (b) who has registered a company, trust, pension fund or other juristic person;

but does not include—

- (i) a **presumptive taxpayer**, except such class of presumptive taxpayer as may be specified in a notice prescribed under [section 25B](#); or
- (ii) an employer registered as such for the purpose of the *Thirteenth Schedule*, except such class of employer as may be specified in a notice prescribed under [section 25B](#).

25B Prescription and registration of registrable taxpayers

(1) The Minister may prescribe by notice in a *statutory instrument* the category of persons earning income from trade who, by reference to all or any of the factors referred to in the definition of “*registrable taxpayer*”, must register as taxpayers under this Part.

(2) **No later than 30 days** after the Minister has prescribed the notice referred to in [subsection \(1\)](#), every registrable taxpayer shall apply to the Commissioner-General in such form as may be prescribed for registration as a registrable taxpayer.

(3) A person who is not registrable taxpayer on the date that the Minister prescribes a notice referred to in [subsection \(1\)](#), but who thereafter—

- (a) commences trade as a registrable taxpayer; or
- (b) becomes qualified as a registrable taxpayer;

shall, **no later than 30 days** after so commencing or becoming qualified, apply to the Commissioner-General in such form as may be prescribed for registration as a registrable taxpayer.

- (4) Every person who has registered as a registrable taxpayer under this section shall, **within 14 days** after changing his or her address or ceasing to be a registrable taxpayer, notify the Commissioner in such manner and form as may be prescribed of his or her new address or of the fact of his or her having ceased to be a registrable taxpayer, as the case may be.
- (5) The Commissioner may, at such times as he or she may decide, issue public notices drawing attention to the provisions of this section.
- (6) Every **non-resident registrable** taxpayer shall appoint a resident representative to secure registration on its behalf under this section and otherwise to act as its agent for all purposes of this Part.
- (7) A non-resident registrable taxpayer shall give notice in writing to the Commissioner-General of the appointment of a resident representative under [subsection \(6\)](#).
- (8) If a non-resident registrable taxpayer fails, when required in writing to do so by the Commissioner-General, to furnish the Commissioner-General with particulars of the appointment of a resident representative under [subsection \(6\)](#) within such period as the Commissioner-General shall specify, the Commissioner-General may—
- (a) appoint a person to be the non-resident registrable taxpayer's resident representative, and such person shall secure registration on the registrable taxpayer's behalf under this section and otherwise act as the registrable taxpayer's agent for all purposes of this Part; and, additionally or alternatively.
 - (b) cause any work permit held by the registrable taxpayer or any director or employee of the registrable taxpayer to be forthwith cancelled upon the written request of the Commissioner-General to the Chief Immigration Officer.

25C Penalties for non-compliance

- (1) A natural or legal person shall be guilty of a civil infringement and liable to a civil penalty if he or she fails timeously comply with [section 25B\(2\)](#), [\(3\)](#), [\(4\)](#), [\(6\)](#) or [\(7\)](#).
- (2) In the event of default in complying with [subsection \(1\)](#), the civil penalty shall provide for a combination of—
- (a) a fixed penalty of **US\$30** or its equivalent in Zimbabwe dollars on the day of the service of the order;
and
 - (b) a cumulative penalty over a period not exceeding 90 days of **US\$30** or its equivalent in Zimbabwe dollars for each day (beginning on the day after the service of a civil penalty order) that the fixed penalty or any outstanding amount thereof remains unpaid by the defaulter.

25D Savings for noncompliance with this Part

The obligations and liabilities of a person under this Act are not affected by his or her failure to register as a registrable person under this Part or his or her ceasing to be so registered.

PART IV

TAXES ON SHAREHOLDERS, INTEREST, FEES, REMITTANCES & ROYALTIES

26 Non-resident shareholders' tax

(1) There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a non-resident shareholders' tax in accordance with the *Ninth Schedule* at the rate of tax fixed from time to time in the charging Act.

(2) For the purposes of this section, any amount paid outside Zimbabwe by a local branch or subsidiary of a foreign company in excess of the amount allowable as a deduction in terms of paragraph (q) or (r) of subsection-(1) of [section sixteen](#) shall be deemed to be the payment of a dividend upon which non-resident shareholders' tax shall be charged, and the term "**dividend**" shall be so construed for the purposes of the *Ninth Schedule*.

subs (2) inserted by Act 18/2000 from 1st January, 2001 and amended by Act 10/2003 from 1st January, 2004.

27 ...

Repealed by Act 29 of 1998 from the 1st January 1999.

28 Resident shareholders' tax

(1) There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a resident shareholders' tax in accordance with the *Fifteenth Schedule* at the rate of tax fixed from time to time in the charging Act.

(2) For the purposes of this section, any amount paid inside Zimbabwe by a local company or a subsidiary of a local company in excess of the amount allowable as a deduction in terms of [section sixteen\(1\)\(q\) or \(r\)](#) shall be deemed to be the payment of a dividend upon which resident shareholders' tax shall be charged, and the term "**dividend**" shall be so construed for the purposes of the *Fifteenth Schedule*;

Directors' loans *Zacks.E v COT The Commissioner of Taxes* [93-HB-104](#)

-subs (2) inserted by Act 18/2000 from the 1st January, 2001;

amended by Act 10/2003 from the 1st January, 2004;

Tax accrues on the act of declaring a dividend *Delta Corporation Ltd v ZIMRA* [15-HH-621](#);
[section 16\(1\)\(q\) or \(r\)](#) substituted in place of the above by section 11 of Finance Act 8/2022 gazetted on the 24th October, 2022.

29 Non-residents' tax on interest

Repealed by Act 5/2009 w.e.f. the 30th September, 2009.

30 Non-residents' tax on fees

There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a non-residents' tax on fees in accordance with the provisions of the *Seventeenth Schedule* at the rate of tax fixed from time to time in the charging Act.

fees includes only income sourced from inside Zimbabwe, not including the commissions paid thereon. *Sunfresh Enterprises (Pvt) Ltd v Zimra* [04-HB-078](#)
commissions paid to outside agent *M Coy (Pvt) Ltd v Zimra* [16-HH-661](#)-

31 Non-residents' tax on remittances

There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a non-residents' tax on remittances in accordance with the provisions of the *Eighteenth Schedule* at the rate of tax fixed from time to time in the charging Act.

32 Non-residents' tax on royalties

There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a non-residents' tax on royalties in accordance with the provisions of the *Nineteenth Schedule* at the rate of tax fixed from time to time in the charging Act.

33 Additional profits tax in respect of special mining lease areas

(1) There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund an additional profits tax, determined in accordance with the *Twenty-Third Schedule*, in respect of the first accumulated net cash position and the second accumulated net cash position, as so determined, in respect of any special mining lease area for any year of assessment.

Zimbabwe Platinum Mines (Pvt) Ltd v ZIMRA [21-SC-159](#)

(2) The additional profits tax referred to in [subsection \(1\)](#) shall be determined, charged and levied in respect of each special mining lease area separately.

(3) Where 2 or more persons are holders of a special mining lease for the whole or any part of a year of assessment, those persons shall be jointly and severally liable to pay any additional profits tax referred to in [subsection \(1\)](#) chargeable for that year of assessment in respect of the special mining lease area concerned.

(4) [Subsection \(3\)](#) shall not affect any right a holder referred to in that subsection may have to claim a refund or contribution from any other such holder in respect of any amount of additional profits tax paid by him.

34 Residents' tax on interest

There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a resident' tax on interest in accordance with the *Twenty-First Schedule* at the rate of tax fixed from time to time in the charging Act.

35 Exemption of petroleum operators and affiliates from certain taxes

(1) Where, after consultation with the Minister responsible for the administration of the [Mines and Minerals Act \[Chapter 21:05\]](#), the Minister is satisfied that it is in the interest of Zimbabwe to exempt a petroleum operator or any affiliate wholly or partly from any tax

charged under [section twenty-seven](#), [twenty-nine](#), [thirty](#), [thirty-one](#) or [thirty-two](#), he may, by *statutory instrument*—

- (a) declare the petroleum operator to be an approved petroleum operator for the purposes of any of those sections;
- (b) where he has made a declaration in terms of paragraph (a) in relation to a petroleum operator, declare any affiliate of the petroleum operator to be an approved affiliate for the purposes of any of those sections;

and may impose any limits or conditions on any such declaration.

(2) Where the Minister has published a *statutory instrument* in terms of [subsection \(1\)](#)—

- (a) the petroleum operator or affiliate concerned shall be exempt, subject to the statutory instrument, from any tax specified therein; and
- (b) any other person who, in terms of any other provision of this Act, is required to collect any tax specified in the notice shall be exempt, subject to the statutory instrument, from any such requirement.

(3) The Minister may at any time revoke any declaration under [subsection \(1\)](#) by a further *statutory instrument*.

(4) An affiliate, in relation to a petroleum operator, is a company which controls, is controlled by, or is under common control with, the petroleum operator and, for that purpose, a company shall not be treated as having control of another company unless it holds directly or indirectly all the share capital or voting rights in or in relation to the other company.

36 Exemption of holders of special mining leases from certain taxes

(1) Where, after consultation with the Minister responsible for the administration of the [Mines and Minerals Act \[Chapter21:05\]](#), as the Minister is satisfied that it is in the interests of Zimbabwe to exempt the holder of a special mining lease, wholly or partly from any tax charged under [section twenty-six](#), [twenty-seven](#), [twenty-nine](#), [thirty](#), [thirty-one](#) or [thirty-two](#), he may, by *statutory instrument* declare the holder concerned to be an approved holder of a special mining lease for the purposes of any of those sections.

[Subsection \(1\)](#) amended by Act 13/1996.

See [GN 451 of 1996](#) – Hartley Platinum Mines and BHP Minerals Zimbabwe.

[GN 354 of 2015](#) – Great Dyke Investments (Pvt) Ltd

An application challenging the constitutionality of these provisions was dismissed in *Mayor Logistics(Pvt) Ltd v ZIMRA* [14-CC-007](#)

(2) The Minister may impose limits or conditions on any declaration in terms of [subsection \(1\)](#).

(3) Where the Minister has published a *statutory instrument* in terms of [subsection \(1\)](#)—

- (a) the approved holder of a special lease concerned shall be exempt, subject to the *statutory instrument*, from any tax specified in the instrument; and

- (b) any other person who, in terms of any other provision of this Act, is required to collect any tax specified in the *statutory instrument* shall be exempt, subject to the provisions of the *statutory instrument*, from any such requirement.

(4) The Minister may at any time, by further *statutory instrument*, revoke or vary any declaration in terms of [subsection \(1\)](#):

Provided that the Minister shall not revoke any such declaration or vary it in such a manner as to diminish any exemption conferred by it, unless the approved holder of a special mining lease concerned—

- (a) has consented to the revocation or variation; or
- (b) has failed to comply with any provision of the declaration.

36A Tobacco levy

There shall be charged, levied and collected for the benefit of the Consolidated Revenue Fund a tobacco levy in accordance with the *Twenty-Fourth Schedule*, at the rate fixed from time to time in the charging Act.

36B Automated financial transactions tax

There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund an automated financial transactions tax in accordance with the *Twenty-Fifth Schedule*, at the rate of tax fixed from time to time in the charging Act.

36C Presumptive tax

Section substituted by Act 2 of 2005; and further amended by the Finance (No.2) Act of 2005, and further amended as noted below

(1) For the benefit of the Consolidated Revenue, there shall be charged, levied and collected throughout Zimbabwe in accordance with the *Twenty-Sixth Schedule* and at the rate from time to time in the charging Act, a tax on the basis of the presumed income (commonly known as a “**presumptive tax**”) of those persons engaging in any of the trades, occupations or undertakings specified in the *Twenty-Sixth Schedule*.

(1a) The Commissioner-General may, on behalf of the Zimbabwe Revenue Authority, in writing invite any **tax-compliant local authority** (that is, a local authority that is not in arrears to the Zimbabwe Revenue Authority for any amount of employees’ tax or value added tax), to enter into an arrangement with the Zimbabwe Revenue Authority authorising the local authority concerned to collect, on behalf of the Authority, in return for the retention by the local authority of **not more than 10%** of the proceeds of the presumptive taxes collected by it, of all or any of the following presumptive taxes from persons liable to pay presumptive tax within the area of jurisdiction of the local authority—

[Subsection \(1a\)](#) inserted by Act *5 of 2010 w.e.f. the year of assessment beginning on the 1st January, 2011

- (a) **informal traders** presumptive tax;

- (b) presumptive tax payable by operators of **taxicabs** for the carriage of passengers for hire or reward having seating accommodation for not more than **7 passengers**; or
- (c) presumptive tax payable by operators of **omnibuses** for the carriage of passengers for hire or reward having seating accommodation for **not less than 8 or more than 14 passengers**;
- (d) presumptive tax payable by operators of omnibuses for the carriage of passengers for hire or reward having seating accommodation **for not less than 15 or more than 24 passengers**;
- (e) presumptive tax payable by operators of omnibuses for the carriage of passengers for hire or reward having seating accommodation for **not less than 25 or more than 36 passengers**;
- (f) presumptive tax payable by operators of omnibuses for the carriage of passengers for hire or reward having seating accommodation for **not less than 37 passengers**;
- (g) presumptive tax payable by operators of **driving schools** providing driving tuition—
 - (i) for class 4 vehicles only;
 - (ii) for class 1 and 2 vehicles (whether or not in addition to providing driving tuition for other classes of vehicles);
- (h) presumptive tax payable by operators of **hairdressing salons**;
- (i) presumptive tax payable by operators **of restaurants or bottle-stores**;
- (j) **cottage industry** operators presumptive tax.

(1b) Subject to this section, the Zimbabwe National Road Administration established by the [Roads Act \[Chapter 13:18\]](#) is hereby appointed as the agent of the Zimbabwe Revenue Authority for the collection of any or all of the following presumptive taxes —

- (a) presumptive tax payable by operators of **taxicabs** for the carriage of passengers for hire or reward having seating accommodation for not more than 7 passengers; or
- (b) presumptive tax payable by operators of **omnibuses** for the carriage of passengers for hire or reward having seating accommodation for not less than 8 or more than 14 passengers;
- (c) presumptive tax payable by operators of omnibuses for the carriage of passengers for hire or reward having seating accommodation for not less than 15 or more than 24 passengers;
- (d) presumptive tax payable by operators of omnibuses for the carriage of passengers for hire or reward having seating accommodation for not less than 25 or more than 36 passengers;

- (e) presumptive tax payable by operators of omnibuses for the carriage of passengers for hire or reward having seating accommodation for not less than 37 passengers;
- (f) operators of **goods vehicles** having a carrying capacity —
 - (i) of more than 10 tonnes but less than 20 tonnes;
 - (ii) of 10 tonnes or less but which drive 1 or more trailers resulting in a combined carrying capacity of more than 15 tonnes but 30 less than 20 tonnes;
 - (iii) of 20 tonnes or more;
- (g) presumptive tax payable by operators of **driving schools** providing driving tuition—
 - (i) for class 4 vehicles only;
 - (ii) for classes 1 and 2 vehicles (whether or not in addition to providing driving tuition for other classes of vehicles).

[subsection \(1b\)](#) substituted by Finance (No.3) Act 11 of 2014 with effect from the year of assessment beginning 1st January, 2015

(1c)

subsection(1c) inserted by Finance (No.3) Act 11 of 2014 w.e.f.1st January, 2015: then repealed by the Finance Act 1 of 2018 w.e.f. 14th March, 2018 corrected by SI 188/2018.(h

(2) A taxpayer who, before the *date of commencement of the Finance Act, 2005

*12th September, 2005],

or (in the case of operators of **goods vehicles** and **driving schools**) the *Finance (No.2) Act, 2005

*30th December, 2005

furnished a return under [section thirty-seven](#) in any year of assessment shall be not liable to pay presumptive tax in accordance with the *Twenty-Sixth Schedule* or, if he or she pays such tax, shall not be entitled to a tax clearance certificate in terms of paragraph 14 of the *Twenty-Sixth Schedule* unless he or she continues to furnish a return under [section thirty-seven](#).

36D Demutualisation levy

There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a demutualisation levy in accordance with the *Twenty-Seventh Schedule* at the rate fixed from time to time in the charging Act.

36E Carbon tax

There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a carbon tax in accordance with the *Twenty-Eighth Schedule* at the rate fixed from time to time in the charging Act.

Inserted by Act 18/2000 from 1st January, 2001.

36F ...

Inserted by Act No.27 of 2001 from 1st January, 2002;
repealed by the Finance (No.3) Act 10/2009 from 1st January, 2010.

36G Intermediated money transfer tax

Inserted by Act 15/2002 from 1st January, 2003;
substituted by Act 13/2023 w.e.f. 1st January, 2024.

(1) In this section—

“**Zimbabwe gold-backed digital token**” is a digital investment asset issued by the Reserve Bank of Zimbabwe in terms of [section 7\(d\)\(i\)](#) and [47\(3\) of the Reserve Bank of Zimbabwe Act \[Chapter 22:15\]](#), one unit of which represents one milligram of gold of **99% purity**.

Definition amended by the deletion of “or ZIGs” by the invalid Presidential Powers [SI 60/2024](#) gazetted on the 5th April, 2024;
then amended by the FINANCE Act 2024 gazetted on the 28th October, 2024.

(2) There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund an intermediated money transfer tax in accordance with the *Thirtieth Schedule* at the rate fixed from time to time in the charging Act.

(3) A different rate of intermediated money transfer tax may be fixed in the charging Act in respect of transfer of Zimbabwe gold-backed digital tokens.

36H NOCZIM debt redemption and strategic reserve levy

(1) There shall be charged, levied and collected throughout Zimbabwe for the benefit of—

- (a) the NOCZIM Debt Redemption Sinking Fund a NOCZIM debt redemption levy in accordance with the *Thirty-First Schedule* at the rate fixed from time to time in the Charging Act; and
- (b) the Strategic Reserve Fund a strategic reserve levy in accordance with the *Thirty-First Schedule* at the rate fixed from time to time in the Charging Act.

(2) [Subsection \(1\)\(a\)](#) above, subsection 22H(a) of the Charging Act and all provisions of the *Thirty-First Schedule* relating to the NOCZIM debt redemption levy, shall lapse on the date when the debts for which NOCZIM Debt Redemption Sinking Fund was established have been repaid in full.

Inserted by Act 10/2003 from 1st December, 2003 , and substituted by Act 8/2011 w.e.f. the 1st September, 2011.

36I Property or insurance commission tax

There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a property or insurance commission tax paid by estate agents and insurers in accordance with the *Thirty-Second Schedule* at the rate fixed from time to time in the charging Act.

Inserted by Act 29 of 2004 from 1st January, 2005.

36J Tax on non-executive directors' fees

There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a tax on non-executive directors' fees in accordance with the *Thirty-Third Schedule* at the rate fixed from time to time in the charging Act.

Inserted by Act 12/2006 from 1st January, 2007.

36K Petroleum importers levy

There shall be charged, levied and collected from every petroleum importer who transports petroleum products by road a petroleum importers levy in accordance with the *Thirty-First Schedule* at the rate fixed from time to time in the Charging Act.

Inserted by Act *5 of 2010 w.e.f. the year of assessment beginning on the 1st January, 2011 and substituted by Act 8/2011 w.e.f. the 1st September, 2011

36L Bookmakers tax

There shall be charged, levied and collected throughout Zimbabwe for the benefit the Consolidated Revenue Fund a bookmakers tax paid by bookmakers in accordance with the *Thirty-Sixth Schedule* at the rate fixed from time to time in the charging Act.

Inserted by the Finance Act 1 of 2018 w.e.f. the year of assessment beginning on the 1 January 2018.

36N ...

Not enacted.

36O Wealth tax

Inserted by the Finance Act 13/2023 w.e.f. the year of assessment beginning on the 1 January 2024.

(1) In this section—

“**dwelling**” means a building, or any part of a building, which is used wholly or mainly for the purpose of residential accommodation;

“**prescribed**” means prescribed by regulations referred to in [subsection \(5\)](#);

“**value**”, in relation to a dwelling, means the value of the dwelling as assessed during the last general valuation made of properties under the terms of the law in force in the local authority concerned;

“**principal private dwelling**”, in relation to an individual, means—

- (a) a dwelling which is that individual's sole or main residence in the year of assessment concerned; and
- (b) is on a piece of land registered as a separate entity in a Deeds Registry, which—
 - (i) is owned by the individual concerned; and
 - (ii) surrounds or is adjacent to the dwelling referred to in paragraph (a); and
 - (iii) is used by the individual concerned primarily for private or domestic purposes in association with the dwelling referred to in paragraph (a);

“taxable dwelling” means any dwelling the rateable value of which exceeds **US\$250 000** in the year of assessment concerned.

(2) There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a Wealth Tax paid by the owner of any taxable dwelling, that is to say any dwelling that is not his or her principal private dwelling.

(3) Subject to the regulations referred to in [subsection \(5\)](#) the collection of the Wealth Tax shall, until such time as the Zimbabwe Revenue Authority is capable of collecting the tax itself, be delegated to the local authority in which a taxable dwelling is located or to such collection agent as the authority, with the approval of the Minister, may appoint by a notice in the *Gazette* either generally or for any particular local authority;

- (a) who is of or above the age of 70 years in the year of assessment concerned; and

- (b) whose dwelling is his or her principal private dwelling.

(3) Each local authority in which a taxable dwelling is located shall be the collection agent on behalf of the Zimbabwe Revenue Authority for the Wealth Tax, and shall transmit (without deduction, except for such commission as shall be prescribed) every payment of Wealth Tax to the Zimbabwe Revenue Authority within the time and manner prescribed.

(4) Payment of Wealth Tax shall be made by the owner of any rateable dwelling at any time during the year of assessment at which he she pays any rates due upon him or her as the owner of rateable property within the local authority area, in proof of payment of which he or she shall be issued with a separate receipt.

(5) The Minister may make regulations under [section ninety](#) prescribing anything which in his or her opinion is necessary or convenient to be prescribed by regulations for carrying out or giving effect to this section.

36P Levy on gross value of lithium, black granite, quarry stones and uncut and cut dimensional stone

Inserted by the Finance Act 13/2023 w.e.f. the year of assessment beginning on the 1st January 2024.

- (1) There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a levy on the gross value of the sale within Zimbabwe or on export of lithium, black granite, quarry stones and uncut and cut dimensional stone at the rate fixed from time to time in the Charging Act.
- (2) The Minister may make regulations under [section ninety](#) prescribing anything which in his or her opinion is necessary or convenient to be prescribed by regulations for carrying out or giving effect to this section.
- (3) In accordance with [section 18 of the Public Finance Management Act \[Chapter 22:19\]](#) the Minister shall constitute a fund to which levies in terms of [subsection \(1\)](#) shall be appropriated, for the purpose of disbursing it to any area where the lithium, black granite, quarry stones and uncut and cut dimensional stone was mined or uncut or cut dimensional stone in respect of which levy was paid was quarried.

PART V

RETURNS AND ASSESSMENTS

37 Notice by Commissioner requiring returns for assessment under this Act and manner of furnishing returns and interim returns

- (1) Subject to [section thirty-seven A](#), the Commissioner shall annually give public notice that all persons who fall within any of the classifications prescribed in such notice, whether personally or in any representative capacity, are required, **within 30 days** after the date of such notice, or within such further time as the Commissioner may for good cause allow, to furnish returns for assessment:

Provided that no dormant company (that is to say, a company that has not carried on any trade or business for the whole of the year of assessment in respect of which the Commissioner gives the notice) shall be subject to any penalty provided in this Act for failing to furnish a return if its public officer or a director, or the holder of a majority or plurality of its shares makes a written and sworn declaration to that effect to the Commissioner **within 30 days** after the date of such notice.

proviso inserted by Finance (No.3) Act 11 of 2014 w.e.f. the year of assessment beginning 1st January, 2015

- (2) Such notice shall state the places at which the prescribed forms may be obtained, and it shall be the duty of all such persons, and of all persons required by this Act to furnish such returns, to apply for the prescribed forms of returns.
- (3) Any such person failing to furnish such return shall not be relieved from any penalty by reason only of his having received no notice to furnish the same, or of the prescribed form not having been delivered to him, but the Commissioner may, if he deems it so advisable, cause forms to be delivered or sent by registered or unregistered post to any person.
- (4) The Commissioner may, prior to the issue of any such annual notice, require any person by notice in writing to render an interim return for any period he may designate in such notice, and may proceed to make an assessment in respect of that period.

(5) Every person who falls within any of the classifications prescribed in the annual notice published in terms of [subsection \(1\)](#) or to whom a form or notice has been delivered or sent in terms of this section shall, on publication of the annual notice or on receipt of any such form or written notice, prepare and deliver in the prescribed manner, within the period mentioned in such form or notice, to the person appointed to receive the same, a return in the form prescribed, giving the particulars required and all other details in relation thereto which may be prescribed. Such return shall be signed by the taxpayer, or by his agent duly authorized in that behalf.

(6) Any person signing any such return shall be deemed for all purposes in connection with this Act to be cognizant of all statements made therein.

(7) Any return made or purporting to be made or signed by or on behalf of any person for the purposes of this Act shall be deemed to be duly made and signed by the person affected, unless such person proves that such return was not made or signed by him or on his behalf.

(8) If any person fails to make such a return, the Commissioner may appoint a person to make a return on behalf of such person, and the return made by the person so appointed shall be, for all the purposes of this Act, the return of the person liable to make the same.

(9) The returns furnished by or on behalf of every person required to furnish returns under this Act shall contain such particulars, be in such form and be furnished to the person appointed to receive the same at such time as may be prescribed.

(10) The Commissioner may, when and as often as he thinks necessary, require any person to make fuller or further returns respecting any matter of which a return is required or prescribed by this Act.

(11) All returns required to be furnished under this Act shall be delivered at, or sent by post to, the prescribed address.

(12) Notwithstanding any other provision of this section, unless he is specifically called upon by the Commissioner to do so, no return need be made by a taxpayer whose taxable income consists solely of remuneration from which employees' tax has been deducted by an employer in accordance with a directive issued in terms of paragraph 20A of the *Thirteenth Schedule*.

[Subsection \(12\)](#) repealed by Act 13/1996, and this new subsection reinserted by Act 21 of 1999 from 1st January 2000.

(13)

(a) The return of income to be made by any person in respect of any year of assessment chargeable under this Act shall be a full and true return for the whole period of 12 months ending upon the last day of that year of assessment.

(b) —

(i) Where the Commissioner is satisfied that any individual usually makes up his accounts for a period of 12 months ending on some date other than end of a year of assessment, the Commissioner may in

his discretion, and subject to such terms and conditions as he may impose, accept for the year of assessment any such accounts the period of which includes a portion of such year of assessment. Any return in respect of which accounts have been so accepted shall be deemed for all purposes of this Act to be a return for the year of assessment:

Provided that where the account of an individual have been accepted for a year or period ending on some date other than the than end of a year of assessment, all subsequent accounts of the individual shall, except in the year of assessment in which the individual ceases to trade, be made up for each succeeding period of 12 months ending on that other date unless the Commissioner, subject to such terms and conditions as he may impose, otherwise agrees.

- (ii) If any company makes up its accounts for a period ending on some date other than the than end of a year of assessment, the Commissioner may in his discretion accept such accounts for assessment in respect of the assessment year ending immediately before or after the closing date of such accounts, and no part of such assessment shall be charged to tax in any other year of assessment. Any return in respect of which accounts have been so accepted shall be deemed for all purposes of this Act to be a return for such year of assessment:

Provided that where the accounts of a company have been accepted for a year or period ending on some date other than the than end of a year of assessment, all subsequent accounts of the company shall be made up for each succeeding period of 12 months ending on that other date unless the Commissioner, subject to such terms and conditions as he may impose, otherwise agrees.

- (iii) If the accounts of an individual or a company have been accepted by the Commissioner, in terms of a previous law, for a year or period ending on some date other than the 31st March, such acceptance shall be deemed to have been made in terms of this Act.

(c)

- (i) Where a company whose accounts have been accepted in terms of subparagraph (ii) of paragraph (b) ceases to operate, there shall be returned for assessment accounts which shall include all income which has been received by or accrued to such company in the period between the closing date of the late accounts so accepted for the immediately preceding year of assessment and the date when such company ceased to operate.
- (ii) Where such period exceeds 12 months, separate accounts shall be rendered for a period of 12 months ending on the date accepted as

the closing date of its account under subparagraph (ii) of paragraph (b) and for the balance of the period in excess of 12 months.

(iii) The taxable income determined on the basis of such accounts shall be charged to tax as follows—

- A. if the period is in excess of 12 months, the taxable income determined on the basis of the accounts rendered for 12 months as required in terms of subparagraph (ii) shall be deemed to be the taxable income for the year of assessment succeeding that in which the taxable income based on the accounts for the immediately preceding year of assessment was assessed, and the taxable income for the remaining period shall be deemed to be the taxable income for the following year of assessment;
- B. if the period is one of less than 12 months, the taxable income based on the accounts rendered in terms of subparagraph (i) shall be deemed to be the taxable income for the year of assessment succeeding that in which the taxable income based on the accounts for the immediately preceding year was assessed:

Provided that, where a company has rendered accounts for assessment and the whole or part of the taxable income determined from such accounts has been charged to tax in more than one year of assessment, either under this Act or under any previous law, then when such company ceases to operate the taxable income for the last year of assessment shall be reduced by an estimate of the taxable income which has been so charged to tax in more than one year of assessment. If such estimate exceeds the taxable income for the last year of assessment, then the taxable income for the penultimate year of assessment shall be reduced by the amount of such excess.

(iv) The said taxable income shall be assessed as the taxable income of such company notwithstanding that such company may not have been in existence during any portion of such year of assessment.

(14) If any person when called upon to furnish a return under this Act is unable to furnish such return, the Commissioner may accept a return of estimated income for assessment or he may make an estimated assessment in terms of [section forty-five](#) without imposing the additional tax payable under [section forty-six](#) if he is satisfied that there is no intent to defraud the revenue or to postpone payment of such tax, and any such assessment shall be adjusted by the Commissioner when a return of actual income is furnished.

(15) Persons carrying on any trade in partnership shall, subject to [subsection \(13\)](#), in respect of each year of assessment, make a joint return of income as partners in such trade together with such particulars as may from time to time be prescribed, and such return shall, notwithstanding any provisions to the contrary contained in any agreement of partnership, be accompanied by such accounts as are necessary to show the result of the

operations of the partnership for each such year of assessment, and each partner shall be separately and individually liable for the rendering of the joint return, but the partners shall be liable to tax only in their separate individual capacities:

Provided that, where because of the death of a partner accounts are prepared in order to show the results of the operations of the partnership for the period from the last accounting date to the date of the death of the partner, the surviving partners shall not be required to include their shares of the income as shown by such accounts in any return other than that for the year of assessment in which the first anniversary of the accounting date prior to the date of the death of the partner falls and their shares of income shall be deemed to accrue accordingly.

37A Self-assessment

Inserted by Act 12/2006 from the 1st January, 2007.

(1) Every taxpayer specified in a notice published by the Commissioner-General as a taxpayer or member of a class of taxpayers to whom this section is to apply for any year of assessment (hereafter in this section called a “specified taxpayer”) shall, **not later than 4 months** after the end of the tax year (or, if the Commissioner-General has exercised his or her discretion in relation to any specified taxpayer under [section 37\(13\)](#) to accept some date, other than the end of a year of assessment, as the date on which the taxpayer concerned makes up his or her annual accounts, not later than 4 months after the end of that other date)—

[Subsection \(1\)](#) substituted by Finance (No. 2) Act 10 of 2022 w.e.f. year of assessment beginning on the 1st January, 2023.

- (a) furnish the Commissioner-General with a self assessment return in the prescribed form reflecting such information as may be required for the calculation of tax payable in respect of that year in terms of [section seven \(2\)](#); and
 - (b) calculate the amounts of such tax in accordance with [section seven \(2\)](#) and pay the tax payable to the Commissioner-General or calculate the amount of any refund due to the taxpayer.
- (2) Every specified taxpayer shall, within the period allowed in [subsection \(1\)](#), furnish to the Commissioner-General the return referred to in that subsection in respect of each year of assessment, whether or not tax is payable or a refund is due in respect of such year of assessment.
- (3) The Commissioner-General may require any taxpayer by notice in writing to render an interim self-assessment return for any period he or she may designate in such notice.
- (4) The Commissioner-General may, having regard to the circumstances of any case but subject to [section seventy-one](#), extend the period within which such return is to be furnished or such tax is to be paid.
- (5) Subject to [subsection \(6\)](#), a self-assessment return of income shall be signed by the specified taxpayer and include a declaration that the return is complete and accurate. Any

person signing any such return shall be deemed for all purposes in connection with this Act to be cognisant of all statements made therein.

(6) A self-assessment return made or purporting to be made or signed by or on behalf of any person for the purposes of this Act shall be deemed to be duly made and signed by the person affected, unless such person proves that such return was not made or signed by him or her or on his or her behalf.

(7) If any specified taxpayer fails or is unable to make a self-assessment return, the Commissioner-General may appoint a person to make a return on behalf of such taxpayer, and the return made by the person so appointed shall be, for all the purposes of this Act, treated as the return of the specified taxpayer.

(8) Notwithstanding any other provision of this section, unless he or she is specifically called upon by the Commissioner-General to do so, no return need be made by a specified taxpayer whose taxable income consists solely of remuneration from which employees' tax has been deducted by an employer in accordance with a directive issued in terms of paragraph 20A of the *Thirteenth Schedule*.

(9) Where a specified taxpayer is legally incapacitated, the taxpayer's self-assessment return of income, and a declaration as to its completeness and accuracy, shall be signed by the taxpayer's legal representative.

(10) Where a specified taxpayer has furnished a self-assessment return accompanied by the relevant documents for a year of assessment, the taxpayer is deemed to have made an assessment of his or her taxable income and the tax payable on that taxable income for that year, being those respective amounts shown in the return.

IAB Company v Zimra [22-HH-032](#)

(11) Where a specified taxpayer has furnished a return in terms of [subsection \(1\)](#), the taxpayer's return of income is treated as an assessment served on the taxpayer **by the Commissioner-General** on the due date for the furnishing of the return or on the actual date of furnishing the return, whichever is the later.

CF (Pvt) Ltd v ZIMRA [18-HH-099](#)

DNS (Pvt) Ltd v ZIMRA [19-HH-722](#)

TL v ZIMRA [20-HH-413](#)

- if it complies with the law *Nestle Zimbabwe (Pvt) Ltd v ZIMRA* **20-SC-290** and [23-HH-312](#)

(12) Notwithstanding [subsection \(1\)](#), the Commissioner-General may make an assessment under [section forty-six](#) and [forty-seven](#) on a specified taxpayer in any case in which the Commissioner-General considers necessary.

(13) Where the Commissioner-General raises an assessment in terms of [subsection \(12\)](#), the Commissioner-General shall include with the assessment a **statement of reasons** as to why the Commissioner-General considered it necessary to make such an assessment.

the fixing of allowances by the Commissioner *GFZ Ltd v ZIMRA* [19-HH-843](#)

Bath Ltd v ZIMRA [20-HH-552](#)

37AA Separate returns to be rendered where any part of income from trade or investment earned in foreign currency

Inserted by section 12 of Finance Act 8/2022 gazetted on the 24th October, 2022 w.e.f. 1st January 2022.

(1) A taxpayer who earns—

2023 Exchange Rates for Income Tax Purposes- for Quarter Q1:

See [GN 31/2023](#) issued on 23rd March, 2023

Zimra Public Notice 75 of 2022 – Editor

- (a) his or her income from trade and investment exclusively in **Zimbabwe dollars** or exclusively in foreign currency shall render a return in respect of that income;
- (b) any **part** of his or her income from trade and investment in the form of **foreign currency**, must render a **separate return** in respect of that income:

Provided that, where a return is rendered under paragraph (a) or (b) in respect of income from **trade and investment** earned in a foreign currency, the currency of account shall be the United States dollar, and if such part of such income is earned in another foreign currency or in more than one foreign currency, the taxpayer **shall convert the currency** or each such currency that is not United States dollars into United States dollars at the international cross rate of exchange on the date of the return.

(2) The Commissioner shall, according to the proportions in which each part of the income was earned in the year of assessment, assess the proportions of tax to be paid in Zimbabwe dollars and in United States dollars by a taxpayer who renders separate returns for income in terms of subsection:

Proviso below substituted by Finance (No. 2) Act 10 of 2022 w.e.f. 1st January, 2023.

Provided that if there is any need for the purpose of this subsection to convert any sum from Zimbabwe dollars into United States dollars or the reverse, the taxpayer shall—

- (a) in the case of a person making quarterly payments of provisional tax in terms of [section 72 \(“Payment of provisional tax”\)](#), use the **average auction rate** of exchange during the quarter concerned;
- (b) in any other case, make an election between the following modes ((i) or (ii) and rates of conversion to be applied (which election shall be binding on the taxpayer and shall apply to all transactions and expenditures in the return for the year of assessment concerned)—
 - (i) the average auction rate of exchange during the year of assessment;
 - or

- (ii) the spot rate of exchange prevailing on the date or dates of the transaction or expenditure during the year of assessment.

In this subparagraph “**spot rate of exchange**” means—

A.in respect of the period from the **1st January to the 13th May, 2022**, the auction rate of exchange of the Zimbabwe dollar to the United States dollars; and

B.in respect of the period beginning on the **14th May, 2022**, the interbank rate of exchange of the Zimbabwe dollar to the United States dollars;

prevailing on the date of the transaction or any other event by reference to which that rate is to be applied;

- (3) In all cases to which this section is applicable, deductions and allowances shall be apportioned proportionately to reflect the percentage share of income earned in all foreign currencies and the percentage earned in Zimbabwe dollars, in such manner.

- (4) This Part, and in particular [section thirty-sevenA](#), applies to each of the returns rendered separately under this section as they apply to a single return.

37B Duty to keep records

- (1) Every person whose gross income does not consist solely of salary, wages or similar compensation for personal service, shall keep or cause to be kept in the English language, proper books and accounts of all his or her transactions and, unless otherwise authorised by a competent court or by the Commissioner, shall retain for a period of **6 years** from the date of the last entry therein all ledgers, cash-books, journals, paid cheques, bank statements and deposit slips, stock sheets, invoices, and all other books of account relating to any trade carried on by him or her and recording the details from which his or her returns for the purposes of this Act were prepared.

NYS v Zimra [19-HH-617](#)

- (2) Any person who contravenes [subsection \(1\)](#) shall be guilty of an offence and liable to—

- (a) a fine not exceeding level seven; or
- (b) a fine equivalent to **10%** of the person’s taxable income;

whichever is the greater amount, or to imprisonment for a period not exceeding three months, or to both such fine and such imprisonment.

Section substituted by Act 3/2009 w.e.f. the 23rd April, 2009.
Penalty clause (2) substituted by Act 8/2011 w.e.f. 1st January, 2012

38 Income of minor children

Every parent shall include in his return—

- (a) any income received by or accrued to or in favour of, or deemed to have been received by or accrued to or in favour of, any of his minor children, either

directly or indirectly, from himself or from his wife or husband, together with such particulars thereof as may be required by the Commissioner; and

(b) any income deemed to be his in terms of [subsections \(3\) and \(4\) of section ten](#).

39 Duty to furnish further returns and information

(1) Every person shall, if required by the Commissioner, furnish to him, in such form and at such time as may be prescribed or as the Commissioner may require, returns of all or any particular class of persons employed by him, and the earnings, salary, wages, allowances, advantages, benefits or pensions, whether in money or otherwise, paid or allowed to each person so employed.

(2) Every person **carrying on a trade in Zimbabwe** shall, in such manner and form and at such times as may be prescribed, furnish to the Commissioner returns showing—

- (a) all payments made to any person in respect of any share or interest in such trade; and
- (b) all moneys received by him from any person on deposit for any fixed time or period, with or without interest, and any amount of interest received or paid by him; and
- (c) all such other information in his possession with regard to the income received by or accruing to or in favour of himself or any other person as may be prescribed or may be required by the Commissioner.

(2a) In addition to any information required to be furnished to the Commissioner under [subsection \(2\)](#), every person deriving any taxable income **from mining operations** shall, in such manner and form and at such times as may be prescribed, furnish to the Commissioner returns showing, with such particularity and supporting documentation as the Commissioner may require —

- (a) the particulars of the **expenditure, exploration and development** incurred or undertaken in connection with the mining operations in the year of assessment concerned, including particulars of exploration expenditure, exploration operations, development expenditure and development operations, as those terms are defined in the *Twenty-Second Schedule*, regardless of whether such exploration, development or expenditure was incurred or undertaken in connection with special mining lease operations; and
- (b) all information concerning the **servicing of any debt** or debts contracted in connection with the production of income from mining operations (including the ratio of debt to equity of the business carried on by him or her in connection with mining operations), whether contracted by the person or by an agent, local branch or subsidiary of the person; and
- (c) what proportions of the total amount received by or accrued to or in favour of the person or deemed to have been received by or to have accrued to or in favour of the person in any year of assessment from mining operations are incurred on or set aside for—

- (i) any expenditure incurred by a local branch or subsidiary of a foreign company, or by a local company or subsidiary of a local company, in servicing any debt or debts contracted in connection with the production of income from mining operations, both before and after the commencement of mining operations; and
- (ii) any expenditure on general administration and management in favour of a company of which the person is the subsidiary or holding company or (where the company is a foreign company) the local branch, both before and after the commencement of mining operations; and
- (iii) **dividends or profits** (whether distributed or retained) on the one hand and wages, salaries, commissions and other remuneration on the other;

and

- (d) all such other information in the person's possession with regard to the income received by or accruing to or in favour of himself or herself or any other person from mining operations in the year of assessment concerned as may be prescribed or may be required by the Commissioner.

[Subsections \(2a\) and \(2b\)](#) inserted by Finance (No.3) Act 11 of 2014 w.e.f. 1st January, 2015

(2b) In addition to the information that may be disclosed to the Minister under [section five\(3\)](#), the Commissioner shall, upon the written request of the Minister (or of the Minister on behalf of the Governor of the Reserve Bank) made on the grounds that the Minister requires such information for ascertaining the level of compliance or otherwise with existing or projected mining fiscal regimes provided for under this Act or any other enactment (or, in the case of a request made on behalf of the Governor of the Reserve Bank, made for the purpose of ascertaining compliance with the existing exchange control regime), avail to the Minister any information and supporting documentation availed to the Commissioner in or together with a return furnished in terms of [subsection \(2a\)](#) in relation to any particular person deriving any taxable income from mining operations or group or class of such persons, and may direct the Commissioner to require the person or persons concerned to furnish to the Commissioner such supplementary information or supporting documentation in connection with a return rendered in terms of [subsection \(2a\)](#) if, in the opinion of the Minister, any information referred to in paragraph (a), (b), (c) or (d) of that subsection lacks sufficient particularity.

(3) In addition to the returns specified in this section and in [sections thirty-four](#) and [thirty-five](#) every person, whether a taxpayer or not, shall, as and when required by the Commissioner, make such further or other returns or furnish such further information as to any matter whatsoever as the Commissioner may require for the purposes of this Act.

(4) Every person to whom a form of return is sent by the Commissioner shall complete the same in accordance with the requirements of the Commissioner and shall return it to the Commissioner at such time and place as the Commissioner may direct.

40 Commissioner to have access to all public records

(1) Notwithstanding anything to the contrary contained in any law relating to post offices or to post office savings banks or any other law, any officer in the *Civil Service having in his custody any registers, books, accounts, records, returns, papers, documents or proceedings, the inspection whereof may tend to secure any tax or to give proof or lead to the discovery of any fraud, offence or omission in relation to any tax, shall, without fee or charge, permit the Commissioner, or any person authorized by the Commissioner, to inspect for such purposes such registers, books, accounts, records, returns, papers, documents or proceedings and to take such notes and extracts as he may consider necessary.

(2) Every officer in the *Civil Service shall, if required by the Commissioner, furnish to him in such form and at such time as the Commissioner may require, such information as such officer in the Civil Service is able to give from the registers, books, accounts, records, returns, papers, documents or proceedings in his custody.

(3) In any legal proceedings, civil or criminal, any such document as is referred to in [subsection \(1\)](#) which purports to be signed by the taxpayer or the accused, as the case may be, may on its mere production be received in evidence, unless such taxpayer or accused raises an objection that the signature is not his signature, in which case the court, before receiving such document in evidence, shall hear evidence as to whether or not the signature is that of the taxpayer or the accused, as the case may be:

Provided that no such document shall be tendered in evidence unless the taxpayer or accused, as the case may be, has been given not less than **10 days' written notice** of the intention so to produce such document and an opportunity to inspect the same and make a copy thereof.

(4) Notwithstanding anything to the contrary contained in any law relating to post offices or post office savings banks or any other law, in any legal proceedings under this Act, whether civil or criminal, evidence may, if relevant to the inquiry, be admitted in regard to the transactions with any bank, including the Reserve Bank of Zimbabwe, the Post Office Savings Bank and any savings bank, of the spouse or minor children of the taxpayer or accused, as the case may be, and [sections 39, 40, 41, 42 and 44 of the Civil Evidence Act \[Chapter 8:01\]](#), or [sections 285, 286 and 287 of the Criminal Procedure and Evidence Act \[Chapter 9:07\]](#), as the case may be, may be used in relation to such evidence.

(5) [Subsections \(1\), \(2\) and \(3\)](#) shall apply in relation to an employee of the Posts and Telecommunications Corporation and any registers, books, accounts, records, returns, papers, documents or proceedings in his custody as they apply in relation to an officer in the Civil Service and any registers, books, accounts, records, returns, papers, documents or proceedings in his custody.

Civil Service is now referred to as the *Civil Service i.t.o. PART I of Act 3 of 2016 w.e.f. 1st July, 2016.

41 Returns as to shareholdings

(1) Every person who makes a return of his own income or, in a representative capacity, makes a return of the income of some other person, shall, if called upon by the Commissioner to do so, attach to such return a statement showing fully—

- (a) the number and class of shares in any company registered in the name of the taxpayer for whom the return is rendered;

- (b) the gross dividends from any company received by or accrued to the taxpayer for whom the return is rendered and the amounts of tax, if any, deducted therefrom;
- (c) if the taxpayer for whom the return is rendered is not entitled to retain the dividends received or accrued from any company, the name and address of the person who, under any agreement or arrangement, is entitled to receive and retain such dividends;
- (d) the number and class of shares in any company which are not registered in the name of the taxpayer for whom the return is rendered but in respect of which such taxpayer, under an agreement or arrangement with the registered owner, obtains all dividends payable by such company;
- (e) the gross amount of the dividends and the amount of the tax, if any, deducted therefrom, so received by the taxpayer for whom the return is rendered from the person in whose name such shares are registered.

(2) Any person who has been called by the Commissioner to attach a statement to his return in terms of [subsection \(1\)](#) and who without just cause—

- (a) fails or refuses to attach such a statement to his return; or
- (b) attaches a statement containing incorrect information;

shall be guilty of an offence and liable to a fine not exceeding level five or to imprisonment for a period not exceeding six months or to both such fine and such imprisonment:

Provided that, if it is provided that the person's conduct was wilful, he shall be liable to a fine not exceeding level six or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

subpara (2) inserted by the Criminal Penalties Act No. 22 of 2001, from the 10th September, 2002.

42 Duties of companies to furnish returns & copy of memorandum & articles of association

(1) Every company shall file with the Commissioner a copy of the memorandum and articles of association constituting the company **within 30 days** of its incorporation or registration under any law and copies of all amendments thereto **within 30 days** of the making of any such amendment.

(2) Any company which, without just cause, fails or refuses to file with the Commissioner a copy of its memorandum or articles of association or any amendment thereto when required to do so by [subsection \(1\)](#) shall be guilty of an offence and liable to a fine not exceeding level four or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment.

Subpara (2) inserted by the Criminal Penalties Act No. 22 of 2001, from the 10th September, 2002.

43 Duty of person submitting accounts in support of return or preparing accounts for other persons

(1) Every return required to be rendered by a taxpayer under the provisions of this Act shall be accompanied by all such balance sheets, trading accounts, profit and loss accounts and other accounts of whatsoever nature, as are necessary to support the information contained in the return, and all such accounts shall be authenticated by the signature of the person rendering the return.

(2) If any person submits in support of any return furnished by him under this Act any balance sheet, statement of assets and liabilities or account prepared by any other person, he shall, together with such balance sheet, statement or account, submit a certificate or statement by such other person recording the extent of the examination by such other person of the books of account and of the documents from which the books of account were written up.

(3) Any person who has prepared any balance sheet, statement of assets and liabilities or account for any other person shall furnish such other person with the certificate or statement required under [subsection \(2\)](#).

(4) Any person who, without just cause, contravenes [subsection \(2\)](#) or [\(3\)](#) shall be guilty of an offence and liable to a fine not exceeding level four or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment:

Provided that, if it is proved that the person's conduct was wilful, he shall be liable to a fine not exceeding level six or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Subpara (4) inserted by the Criminal Penalties Act No. 22 of 2001, from the 10th September, 2002.

44 Production of documents and evidence on oath

(1) For the purpose of obtaining full information in respect of any part of the income of a taxpayer or his liability to tax or any matter relating to the collection of his tax or any matter relating to employees' tax (as defined in paragraph 1 of the *Thirteenth Schedule*), the Commissioner may require any person to produce for examination by the Commissioner, or by any person appointed by him for that purpose, at such time and place and as may be appointed by the Commissioner for that purpose, any deeds, plans, instruments, books, records, accounts, trade lists, stock lists or documents which the Commissioner may consider necessary for the purposes of this Act.

(2) Any deeds, plans, instruments, books, records, accounts, trade lists, stock lists or documents which in terms of [subsection \(1\)](#) are produced to the Commissioner, or to the person appointed by him, may be retained by the Commissioner or such person for as long as they may be reasonably required for any assessment or for any criminal or other proceedings under this Act.

(3) Any person who, in terms of [subsection \(1\)](#), produces any deed, plan, instrument, book, record, account, trade list, stock list or document which is not a ledger, cash-book, journal, paid cheque, bank statement, deposit slip, stock sheet, invoice or other book of account required by this Act to be kept and retained by a person where gross income does not consist of salary, wages or similar compensation for personal services, may be allowed by the Commissioner any reasonable expenses necessarily incurred in producing it or obtaining and producing a copy of it.

(4) The Commissioner may, by reasonable notice in writing, require any person entitled to or in receipt of any income, whether on his own behalf or as the representative of any person, or any person whom the Commissioner may consider able to furnish information to attend at a time and place to be named by the Commissioner for the purpose of being examined on oath or otherwise, at the discretion of the Commissioner, respecting the income or the liability to tax or any matter relating to the collection of tax of any such person, or any transactions or any matters affecting the same, or any of them or any part thereof. Any person so attending may be allowed by the Commissioner any reasonable expenses necessarily incurred by such person in so attending.

(5) Where any statement has been made by any person as a result of his being examined on oath under the provisions of [subsection \(4\)](#), such statement shall be recorded in writing and shall be read over to or by the person making it, who, after making such corrections therein as he may think necessary, may sign it.

(6) Any person required to attend in terms of [subsection \(4\)](#) shall be entitled to be accompanied by a legal practitioner, accountant or other adviser, and any person making a statement in terms of [subsections \(4\)](#) and [\(5\)](#) shall be furnished with a copy thereof.

(7) If any officer engaged in carrying out the provisions of this Act who has, in relation to the affairs of a particular person, been authorized thereto by the Commissioner in writing or by telegram, satisfies a magistrate by statement made on oath that there are reasonable grounds for suspecting that such person has committed an offence under this Act, the magistrate may by warrant authorize such officer and any other officers designated by the Commissioner to exercise the following powers—

- (a) without previous notice, at any reasonable time during the day enter any premises whatsoever and on such premises search for any moneys, valuables, deeds, plans, instruments, books, records, accounts, trade lists, stock lists or documents;
- (b) in carrying out any such search, open or cause to be removed and opened any article in which he suspects any moneys, valuables, deeds, plans, instruments, books, records, accounts, trade lists, stock lists or documents to be contained;
- (c) seize any such deeds, plans, instruments, books, records, accounts, trade lists, stock lists or documents as in his opinion may afford evidence which may be material to assessing the liability of any person for any tax;
- (d) retain any such deeds, plans, instruments, books, records, accounts, trade lists, stock lists or documents for as long as they may be reasonably required for any assessment or for any criminal or other proceedings under this Act.

(8) Any officer engaged in carrying out the provisions of this Act may, if he has reasonable grounds for believing that it is necessary to do so for the enforcement of any tax—

- (a) at any reasonable time during the day enter any business premises;
- (b) require any person to produce for its inspection any—
 - (i) book, record, statement, account, trade list, stock list or other document; or

- (ii) file, schedule, working paper or calculation relating to the determination of a taxpayer's income, expenses or liability for tax;
- (c) require any person to prepare and additionally, or alternatively, to produce for inspection a **print-out** or other reproduction of any information stored in a computer or other information retrieval system;

but not the *laptop itself *Hilmax Engineering (Pvt) Ltd v ZIMRA* [22-HH-832](#)

- (d) take possession of any document or ***other thing** referred to in paragraph (b) or (c) for so long as may be necessary for the purpose of any examination, investigation, trial or inquiry;
- (e) require any person reasonably suspected of having committed an offence under this Act or any person who may be able to supply information in connection with a suspected offence to give his name and address.

(9) Any officer authorized in accordance with [subsection \(7\)](#) when exercising any power under such subsection shall on demand produce the warrant issued to him thereunder.

(10) Any person in whose deeds, plans, instruments, books, records, accounts, trade lists, stock lists or documents have been retained in terms of [subsection \(2\)](#) or which have been seized or taken in terms of [subsection \(7\)](#) or [\(8\)](#) shall be entitled to examine and make extracts from them during office hours or such further hours as the Commissioner may in his discretion allow and under such supervision as the Commissioner may determine.

(11) The Commissioner is hereby empowered to administer oaths to persons examined in terms of this section. Any person who, after having been duly sworn, wilfully makes a false statement to the Commissioner on any matter relevant to the inquiry, knowing such statement to be false or not knowing or believing it to be true, shall be guilty of an offence and liable to a fine not exceeding level seven or to imprisonment for a period not exceeding two years or to both such fine and such imprisonment.

Penalty increased by Act 18/2000 from the 12th January, 2001, amended by the Criminal Penalties Act No. 22 of 2001, from the 10th September, 2002, and confirmed by Act 15/2002 from 30th December, 2002.

(12) Any person who—

- (a) falsely holds himself out to be an officer carrying out the provisions of this Act;
or
- (b) hinders, obstructs or assaults an officer in the exercise of his functions in terms of this Act; or
- (c) wilfully fails to comply with any lawful demand made by an officer in the exercise of his functions in terms of this Act;

shall be guilty of an offence and liable to a fine not exceeding level seven or to imprisonment for a period not exceeding six months or to both such fine and such imprisonment.

Penalty increased by Act 18/2000 from 12th January, 2001, amended by the Criminal Penalties Act No. 22 of 2001, from the 10th September, 2002, and increased by Act 15/2002 from 30th December, 2002.

45 Estimated assessments

(1) In every case in which any taxpayer makes default in furnishing any return or information, or in which the Commissioner is not satisfied with the return or information furnished by any taxpayer, or, notwithstanding that a taxpayer may not have been called upon to furnish a return of income under this Act, in which the Commissioner has reason to believe that such taxpayer is about to leave Zimbabwe the Commissioner may make an assessment in which the taxpayer's taxable income or assessed loss is estimated either in whole or in part and thereupon shall give notice thereof to the taxpayer to be charged, and such taxpayer shall be liable to pay the tax upon the same if any tax is chargeable.

(2) If it appears to the *Commissioner that any person is unable from any cause to furnish an accurate return of his income the Commissioner may *agree with such person what shall be the amount of his taxable income or assessed loss. Any amount of taxable income or assessed loss so agreed shall not be subject to any objection and appeal:

*has no power to delegate his authority to junior officers *PPC v ZIMRA* [19-HH-755](#)

Provided that if subsequently the Commissioner is of the opinion that the taxpayer, at the time the amount of his taxable income or assessed loss was agreed, withheld information which, had it been known to the Commissioner, would have resulted in his not agreeing to that amount, the Commissioner may, subject to [section forty-seven](#), increase such agreed amount of taxable income or decrease such agreed amount of assessed loss in such manner as he may consider to be appropriate.

46 Additional tax in event of default or omission

(1) A taxpayer shall be required to pay, in addition to the tax chargeable in respect of his taxable income—

provisions (a) to (f) are disjunctive *PL Mines (Pvt) Ltd v ZIMRA* [15-HH-466](#)

- (a) if he makes **default in rendering** a return in respect of any year of assessment—
- (i) an amount of tax equal to the tax chargeable in respect of his taxable income for that year of assessment; or
 - (ii) an amount equal to the maximum fine prescribed in [subsection \(1\) of section eighty-one](#) for the offence of failing to submit a return;
- whichever is the greater;

Paragraph amended by Act 29 of 1998 from 1 January 1999
after the furnishing of wrong information *Zimbabwe Platinum Mines (Pvt) Ltd v ZIMRA* [21-SC-159](#)

- (b) if he **omits** from his return any amount which ought to have been included therein, an amount of tax equal to the difference between the tax as

calculated in respect of the taxable income returned by him and the tax properly chargeable in respect of his taxable income as finally determined after including the amount omitted;

- (c) if he makes any **incorrect statement** in any return rendered by him which results or would, if accepted, result in the calculation of the tax at an amount which is less than the tax properly chargeable, an amount of tax equal to the difference between the tax as calculated in accordance with the return made by him and the tax properly chargeable if the incorrect statement had not been made;

invoking the inapplicable provisions of [s 15 \(2\) \(cc\)](#). *GFZ Ltd v ZIMRA* [19-HH-843](#)

- (d) if he **fails to disclose** in any return made by him any facts which should be disclosed and the failure to disclose such facts results in the calculation of the tax at an amount which is less than the tax properly chargeable, an amount of tax equal to the difference between the tax as calculated in accordance with the return made by him and the tax properly chargeable if the disclosure had been made;

Sommer Ranching (Pvt) Ltd v COT [99-SC-065](#)

- (e) if he makes any statement which results or would, if accepted, result in the granting of a credit **exceeding the credit** to which he is entitled, an amount equal to the difference between the tax with which he was chargeable as a result of his statement or would have been chargeable as a result of his statement had it been accepted and the tax with which he is properly chargeable;
- (f) if he or she fails to disclose in any return made by him or her any particulars as prescribed in terms of [section thirty-seven\(5\)](#) or [\(9\)](#) by the Commissioner, and the failure to disclose such particulars results in the **calculation of the tax at an amount which is less** than the tax properly chargeable, an amount of tax equal to the difference between the tax as calculated in accordance with the return made by him or her and the tax properly chargeable if the disclosure had been made.

Para (f) inserted by Act 8/2011 w.e.f. the year of assessment beginning on the 1st January, 2012

(1a) Where a taxpayer, having previously been required to pay any additional tax in terms of subsection (1)(a), (b), (c), (d), (e) or (f) of [subsection \(1\)](#), makes any default or omission or does any act or thing that would again render him or her liable for payment of additional tax in terms of the same or a different paragraph of that subsection, he or she shall be required, in addition to the tax chargeable in respect of his or her taxable income, to pay an amount of tax equal to **2x** the amount payable in terms of [subsection \(1\)\(a\), \(b\), \(c\), \(d\), \(e\) or \(f\)](#) as the case may be.

[subsection \(1a\)](#) inserted by Act 10/2003 from the 1st January, 2004 and amended by Act 8/2011 w.e.f. the year of assessment beginning on the 1st January, 2012
PL Mines (Pvt) Ltd v ZIMRA [15-HH-466](#)

(2) The additional amounts for which provision is made under this section shall be chargeable in cases where the taxable income or any part thereof is estimated by the Commissioner in terms of [subsection \(1\) of section forty-five](#) or agreed with the taxpayer in terms of [subsection \(2\) of that section](#) as well as in cases where such taxable income or any part thereof is determined from the return rendered by the taxpayer.

Amended by Act 29 of 1998 from 1st January, 1999.

(3) The powers conferred upon the Commissioner by this section shall be in addition to any right conferred upon him by this Act to take proceedings for the recovery of any penalties for evading or avoiding assessment or the payment of tax or attempting to do so.

(4) Any taxpayer who, in determining his taxable income as disclosed by his return, deducts any amount the deduction of which is not permissible under the provisions of this Act, or shows as an expenditure or loss any amount which he has not in fact expended or lost, shall be deemed for the purposes of this section to have omitted such amount from his return.

fatal omissions *GC (Pvt) Ltd v ZIMRA* [15-HH-759](#)
CF (Pvt) Ltd v ZIMRA [18-HH-099](#)

(5) If, in any year of assessment in which the determination of the taxable income of the taxpayer does not result in an assessed loss, he is entitled to deduct a balance of assessed loss from a previous year of assessment and such balance is less than it would have been had it been calculated on the basis of the returns rendered by him, he shall be deemed for the purposes of this section to have omitted from his return for the first mentioned year of assessment an amount equal to the difference between the amount at which such balance is finally determined and the amount at which it would have been determined on the said basis.

(6) If the Commissioner considers that the default in rendering the return was not due to any intent either to defraud the revenue or to postpone the payment by the taxpayer of the tax as chargeable, or that any such omission, incorrect statement or failure to disclose facts was not due to any intent to evade tax on the part of the taxpayer, he may remit such part or all of the said additional amount for which provision is made under this section as he may think fit.

Amended by Act 29 of 1998 from 1st January, 1999.

PL Mines (Pvt) Ltd v ZIMRA [15-HH-466](#)

acting on professional advice does not lessen its blameworthiness *GC (Pvt) Ltd v ZIMRA* [15-HH-759](#)

DNS (Pvt) Ltd v ZIMRA [19-HH-722](#)

PPC v ZIMRA [19-HH-755](#)

MR Bank Ltd v ZIMRA 19-HH-779100% applied for deliberately invoking the inapplicable provisions of s 15 (2)(cc). *GFZ Ltd v ZIMRA* 19-HH-843

(7) Notwithstanding [subsection \(6\)](#), the Commissioner may, either before or after an assessment is issued, agree with the taxpayer on the additional amount to be charged and the amount so agreed shall not be subject to any objection and appeal:

Provided that if subsequently the Commissioner is of the opinion that the taxpayer, at the time the additional amount was agreed, withheld

information which, had it been known to the Commissioner, would have resulted in his not agreeing to that amount, the Commissioner may, subject to [section forty-seven](#), increase such agreed amount of additional tax in such manner as he may consider to be appropriate.

Amended by Act 29 of 1998 from 1st January, 1999.

47 Additional assessments

(1) If the Commissioner, having made an assessment on any taxpayer, later considers that—

- (a) an amount of taxable income which should have been charged to tax has not been charged to tax; or
- (b) in the determination of an assessed loss—
 - (i) an amount of income which should have been taken into account has not been taken into account; or
 - (ii) an amount has been allowed as a deduction from income which should not have been allowed;

IAB Company v Zimra [22-HH-032](#)

or

- (c) any sum granted by way of a credit should not have been granted;

he shall adjust such assessment so as to charge to tax such amount of taxable income or to reduce such assessed loss or to withdraw or vary such credit, and if any tax is due either additionally, or alternatively, call upon the taxpayer to pay the correct amount of tax:

PPC v ZIMRA [19-HH-755](#)

Provided that—

- (i) no such adjustments or call upon the taxpayer shall be made if the assessment was made in accordance with the practice generally prevailing at the time the assessment was made;

XYZ v CoT [77-RLR-001](#)
Astra Holdings (Pvt) Ltd v CoT [99-FAC-001](#)

- (ii) subject to proviso (i), no such adjustment or call upon the taxpayer shall be made **after 6 years** from the end of the relevant year of assessment, unless the Commissioner is satisfied that the adjustment or call is necessary as a result of fraud, misrepresentation or wilful non-disclosure of facts, in which case the adjustment or call may be made at any time thereafter;

cut off limit was **3 years** *'T M Fee' v CoT* [91-ITC-1535](#)
taxpayer under no obligation or duty to point out errors in assessments *A v CoT* 00-ICT-1691

whether Zimra precluded from issuing further amended assessments *CF (Pvt) Ltd v ZIMRA* [18-HH-099](#)
 prescription was stayed by misrepresentation *Deb (Pvt) Ltd v Zimra* [19-HH-664](#)
wilful Man Ltd v Zimra [20-HH-078](#)
SZ (Pvt) Ltd v Zimra [20-HH-142](#)
TL v Zimra [20-HH-413](#)
 - does not protect a taxpayer guilty of fraud, misrepresentation or non-disclosure *Bath Ltd v ZIMRA* [20-HH-552](#)
 - benefits not disclosed in self-assessment should not be split up into bits and pieces for the purposes of re-opening-*IAB Company v Zimra* [22-HH-032](#)
 -evidence of misrepresentation found *Zimbabwe Platinum Mines (Pvt) Ltd v ZIMRA* [21-SC-159](#)

(iii) the powers conferred by this subsection shall not be construed so as to permit the Commissioner to vary any decision made by him in terms of [subsection \(4\) of section sixty-two](#).

(2) [Sections forty-five](#) and [forty-six](#) shall apply to any assessments or additional assessments or to a call for the payment of any additional sum in respect of a credit made by the Commissioner under the powers conferred by [subsection \(1\)](#).

48 Reduced assessments and refunds

(1) If it is proved to the satisfaction of the Commissioner that any person has been charged with tax in excess of the amount properly chargeable under this Act, the Commissioner shall issue an amended assessment reducing the tax so charged and, if necessary, authorize a refund to such person of any tax overpaid:

Provided that—

- (i) any such amended assessment issued by the Commissioner shall not be subject to any objection and appeal;
- (ii) any tax payable in accordance with the practice generally prevailing and accepted by such person at the time when any assessment was made shall be deemed to have been properly so chargeable;
- (iii) the Commissioner shall not authorize any reduction or refund under this subsection unless the claim thereof is made **within 6 years** after the date of the notice of assessment in question.

(2) In the case of a claim made in respect of any additional tax charged in terms of [section forty-seven](#), such claim shall be restricted to such additional tax.

(3) The Commissioner shall pay interest, calculated at a rate to be fixed by the Minister by *statutory instrument*

See See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#)
 gazetted on the 19th December, 2022 backdated to the 1st DECEMBER, 2022

on any amount of tax overpaid that is not refunded by him or her **within 60 days** of the date when the taxpayer claimed the refund or the date of completion of the assessment, whichever is the later date, unless the overpayment was due to an

incomplete or defective return or other error on the part of the taxpayer, and not to an error on the part of the Commissioner.

[subsection \(3\)](#) inserted by Act 18 of 2004 from the 5th November, 2004
Delta Beverages (Pvt) Ltd v ZIMRA [16-HH-378](#)

49 Amended assessments of loss

If it is proved to the satisfaction of the Commissioner that the assessed loss determined in favour of any person for any year of assessment is less than the amount which should have been determined for that year of assessment under this Act, the Commissioner shall issue an amended assessment increasing such assessed loss:

Provided that—

- (i) any such amended assessment issued by the Commissioner shall not be subject to any objection and appeal;
- (ii) a determination of assessed loss made in accordance with the practice generally prevailing and accepted by such person at the time when any assessment was made shall be deemed to have been properly determined;
- (iii) the Commissioner shall not increase any assessed loss under this section unless the claim thereof is made **within 6 years** after the date of the notice of assessment in which any assessed loss was first determined.

50 Adjustment of tax, etc., payable in pursuance of assessments made before date of commencement of charging Act relating to a year or period of assessment

- (1) The tax with which a person is chargeable in pursuance of an assessment which is made in respect of a year or period of assessment before the date of commencement of the charging Act relating to that year or period shall be calculated as if the last enacted charging Act were the charging Act relating to that year or period.
- (2) After the date of commencement of the charging Act relating to a year or period of assessment, the Commissioner shall adjust the tax with which a person is charged or the tax paid by a person in pursuance of an assessment referred to in [subsection \(1\)](#) if an adjustment is required by reason of the making of provision in that Act which is different from that made in the charging Act by reference to the provisions of which the tax so charged or paid was calculated.
- (3) On an adjustment made in terms of [subsection \(2\)](#), any amount over or short paid shall be refundable to or recoverable from the taxpayer.
- (4) Notwithstanding [subsection \(2\)](#), the Commissioner shall not make an adjustment such as is referred to in that subsection if the Commissioner is of the opinion that an adjustment would be impracticable or cause undue delay in winding up the affairs of a trust.

51 Assessments and recording thereof

- (1) [All assessments required to be made under this Act shall, subject to [*section four](#), be made by the Commissioner or under his direction.]

Editor's note: *[Section 4](#) was replaced by the Revenue Authority Act with effect from 19th January, 2001

(2) Notice of assessment and of the amount of tax payable, where tax is payable, shall be given to the taxpayer assessed.

provided it complies with the law- *Nestle Zimbabwe (Pvt) Ltd v ZIMRA 20-SC-290* and [23-HH-312](#)

(3) The Commissioner shall, in the notice of assessment, give notice to the taxpayer that any objection to the assessment must be sent to him **within 30 days** after the date of such notice.

Barclays Bank of Zimbabwe v Zimra [04-HH-162](#)

(4) Complete copies of all notices of assessment shall be filed in the office of the Commissioner or such office as he may designate:

Provided that any copy of a notice of assessment so filed may be destroyed by the Commissioner after the expiration of a **period of 6 years** from the date of issue of such notice of assessment.

(5) Separate assessments shall be made upon partners notwithstanding [subsection \(15\) of section thirty-seven](#).

52 Copies of assessments

Notices of assessments shall not be open to public inspection, but every taxpayer shall be entitled to copies certified by or on behalf of the Commissioner of his own notices of assessment.

PART VI

REPRESENTATIVE TAXPAYERS

53 Representative taxpayers

(1) For the purposes of this Act—

“asset” includes digital asset;

Definition inserted by the Finance Act 13/2023 w.e.f. 1st January 2024.

“custodial services” means the safekeeping and management of customer currency and digital assets through the exercise of fiduciary and trust powers as a custodian, and includes fund administration and the execution of customer instructions;

Definition inserted by the Finance Act 13/2023 w.e.f. 1st January 2024.

“designated business or professional service” means a person specified in paragraph (a), (b), (c), (d), (e), (f), (g), (g1), (h) or (k) of the definition of “designated non-financial business or profession” in [section 13 of the Money Laundering and Proceeds of Crime Act \[Chapter 9:24\]](#);

Definition inserted by the Finance Act 13/2023 w.e.f. 1st January 2024.

“digital asset” means any identifiable and discoverable asset that is created and stored digitally, and provides value to the owner by virtue of being tradeable as a commodity;

Definition inserted by the Finance Act 13/2023 w.e.f. 1st January 2024.

“financial institution” has the meaning given to it in paragraph 1(1) of the *Thirtieth Schedule*;

Definition inserted by the Finance Act 13/2023 w.e.f. 1st January 2024.

“professional custodian” means a financial institution, designated business or professional service, or other person, that operates custodial services for its customers or clients or facilitates the deposit of its clients’ or customers’ cash or other assets in a safety deposit box;

Definition inserted by the Finance Act 13/2023 w.e.f. 1st January 2024.

“receptacle” includes a virtual receptacle for digital assets by whatever name called;

Definition inserted by the Finance Act 13/2023 w.e.f. 1st January 2024.

“representative taxpayer” —

- (a) in relation to the income of a company (**other than** a company domiciled outside Zimbabwe whose income is taxed by virtue of [section twelve\(6\)](#) and [\(7\)](#)), means the public officer of the company;

Afritrade International Limited v Zimra [21-SC-003](#)

See (g) below- Editor

- (b) in relation to income the subject of a trust, means the trustee;
- (c) in relation to income possessed, disposed of, controlled or managed by an agent, including an agent to whom [section fifty-eight](#) relates, means the agent;
- (d) in relation to income remitted or paid by a person in Zimbabwe to a person temporarily or permanently absent from Zimbabwe, means the person remitting or paying the income;
- (e) in relation to income paid under a decree or order of a court or judge to a receiver or other person, means the receiver or other person whether or not—
 - (i) the receiver or other person is entitled to the benefit of income; or
 - (ii) the income is receivable by or accrues to a beneficiary on a contingency or on the happening of an uncertain event;
- (f) in relation to—
 - (i) the income in any year of assessment of a person whose property becomes the subject of a trust during that year by

reason of his death or his becoming subject to a legal disability; or

- (ii) the income of that person in any other year of assessment in respect of which a return was not made to the satisfaction of the Commissioner;

means the trustee.

- (g) in relation to the income of a company or other entity **domiciled outside Zimbabwe** whose income is taxed by virtue of [section twelve\(6\)](#) and [\(7\)](#)), means the person in Zimbabwe appointed by that company or entity or the Commissioner in terms of [section twelveA\(5\)](#).

Para (g) inserted by Act 13/2019 w.e.f. 31st December, 2019.

(2) Nothing contained in [subsection \(1\)](#) shall be construed as relieving a person of any liability, responsibility or duty imposed upon him by this Act.

54 Liability of representative taxpayer

(1) Every representative taxpayer, in respect of the income to which he is entitled in his representative capacity, or of which in such capacity he has the management, receipt, disposal, remittance, payment or control, shall be subject in all respects to the same duties, responsibilities and liabilities as if such income were received by or accruing to or in favour of him beneficially and shall be liable to assessment in his own name in respect of such income, but any such assessment shall be deemed to be made upon him in his representative capacity only.

Afritrade International Limited v Zimra [21-SC-003](#)

(2) Every representative taxpayer referred to in paragraph (f) of the definition of “**representative taxpayer**” in [subsection \(1\) of section fifty-three](#) shall, as regards the income received by or accrued to any person prior to his death or his becoming subject to a legal disability, be subject in all respects to the same duties, responsibilities and liabilities as if the income were income received by or accrued to or in favour of him beneficially and shall be liable to assessment in his own name in respect of that income, but any such assessment shall be deemed to be made upon him in his representative capacity only.

(3) Any credit, deduction, exemption or right to deduct a loss which could be claimed by the person represented by him shall be allowed in the assessment made upon the representative taxpayer in his representative capacity.

(4) Any tax payable in respect of any assessment shall, save in the case of an assessment upon the public officer of a company, be recoverable from the representative taxpayer, but to the extent only of any assets belonging to the person whom he represents which are in his possession or under his management, disposal or control.

(5) Any tax payable in respect of any assessment made upon a **public officer** of a company in his capacity as such shall be recoverable from the company of which he is the public officer.

55 Right of representative taxpayer to indemnity

Every representative taxpayer who as such pays any tax shall be entitled to recover from the person on whose behalf it is paid, or to retain out of any moneys that may be in his possession or may come to him in his representative capacity, so much as is required to indemnify him for the payment.

56 Personal liability of representative taxpayer

Every representative taxpayer shall be liable personally for any tax payable by him in his representative capacity if, while it remains unpaid—

- (a) he alienates, charges or disposes of the income in respect of which the tax is chargeable;
- or
- (b) he disposes of or parts with any fund or money which is in his possession or comes to him after the tax is payable when from or out of such fund or money the tax could lawfully have been paid.

57 Company or society regarded as agent for absent shareholder or member

Where a shareholder or member of a company or society is absent from Zimbabwe, such company or society shall, for the purposes of this Act, be deemed to be the agent of such shareholder or member and shall as regards such shareholder or member, and in respect of any income received by or accruing to him or in his favour as shareholder or member, have and exercise all the powers, duties and responsibilities of an agent of a taxpayer absent from Zimbabwe.

58 Power to appoint agent

(1) The Commissioner may, if he thinks it necessary, declare any person to be the agent of any other person, and the person so declared an agent shall be the agent of such other person for the purposes of this Act, and, notwithstanding anything to the contrary contained in any other law, may be required to pay any ***tax** due from any moneys in any current account, deposit account, fixed deposit account or savings account or from any other moneys, including pensions, salary, wages or any other remuneration, which may be held by him for, or due by him to, the person whose agent he has been declared to be.

The Endeavour Foundation and UDC Ltd v COT [95-SC-095](#)

Zimra does not require to issue any notice *Central African Road Svcs (Pvt) Ltd v ZIMRA* [17-HH-110](#)

(2) For the purpose of [subsection \(1\)](#)—

“**person**” includes—

Definition repealed and substituted by the Finance Act 13/2023 w.e.f. 29th December, 2023.

- (a) a financial institution; and
- (b) a partnership; and

- (c) designated business or professional service; and
- (c) any officer in the Public Service;

includes an **Embassy** Time Security (Pvt) Ltd (in Liquidation) v ZIMRA & 4 Ors [18-HH-248](#)

“**tax**” includes—

- (a) **interest** payable by virtue of [subsection \(2\) of section seventy-one](#), [subsection \(6\) of section seventy-two](#) or [subsection \(3\) of section seventy-three](#); and
- (b) **provisional tax** referred to in [section seventy-two](#);

Delta Beverages (Pvt) Ltd v ZIMRA [16-HH-378](#)

and

- (c) **employees tax** referred to in [section seventy-three](#); and
- (d) **any additional tax** or other penalty payable **under this Act**;

competent to garnishee a bank to recover penalties *Triangle Ltd v ZIMRA* [11-HB-012](#)

Zimra’s decision to garnishee accounts for penalties under the **Customs Act** not permitted *Econet Wireless (Pvt) Ltd v ZIMRA & The Commissioner General* [19-SC-017](#)

- (e) **any levy or sum payable** in terms of **the charging Act**.

Definition of “**tax**” substituted by Act 4 of 1996 and Act 13/1996.

Subpara 2(e) substituted by Act 4 of 2012 with effect from the 17th September, 2012

Zimbabwe Platinum Mines (Pvt) Ltd v ZIMRA, Stanbic Bank, Min of Mines and MMCZ [15-HH-169](#)

- are-royalties a “***tax** due “ ? *Unki Mines P/L v ZIMRA & Stanbic Bank* [22-HH-729](#)

-if assessment invalid the appointment of agency also invalid- *Paperhole Investments (Pvt) Ltd v ZIMRA & 2 Ors* [24-HH-149](#)]

59 Remedies of Commissioner against agent and trustee

Against all property of any kind vested in or under the control or management of any agent or trustee the Commissioner shall have the same remedies and in as full and ample a manner as he has against the property of any other person who is liable to pay tax.

60 Power to require information

Substituted by the Finance Act 13/2023 w.e.f. 29th December, 2023.

(1) For the purposes of [sections fifty-eight](#) and [fifty-nine](#), but subject to this section, the Commissioner may require any person (as defined in [section 58](#)) by means of a written disclosure notice served on him or her to give Commissioner without delay any information in respect of any moneys, funds or other assets which may be held by that person, or due by that person, to the person or persons mentioned in the disclosure notice.

(2) This section applies also to moneys, funds or other assets that a representative taxpayer holds on behalf of another person as a professional custodian, subject to the following provisions—

- (a) a disclosure notice compels the professional custodian only to disclose that the person or persons named in the disclosure notice has in his or her name a safety deposit box or other receptacle located on the premises of the professional custodian, without, however, compelling the professional custodian to open any safety deposit box or other receptacle wherein such person's moneys, funds or other assets may be secured;
- (b) a professional custodian served with a disclosure notice cannot invoke any secrecy or confidentiality provision in any statute or any other law, or any secrecy or confidentiality provision contained in any contract for the provision of custodial services or for the safeguarding of property in a safety deposit box, as grounds for refusing to comply with its obligations under this section:

Provided that a professional custodian complying with its obligations under this paragraph shall be immunised against any civil or criminal action for the breach of any secrecy or confidentiality provision in any statute or any other law, or for the breach of any secrecy or confidentiality provision contained in any contract for the provision of custodial services or for the safeguarding of property in a safety deposit box;

- (c) access to the contents of a safety deposit box or other receptacle mentioned in paragraph (a) may only be obtained by virtue of a warrant issued in terms of [section sixtyA](#).

(3) On the basis of a disclosure made by a financial institution in terms of [subsection \(2\)](#), the Commissioner may request the Director of the Financial Intelligence Unit to issue a temporary freezing order in terms of [section 41A of the Bank Use Promotion Act \[Chapter 24:24\]](#) in relation to money, funds and other assets believed to have been deposited by the target of the temporary freezing order in a safety deposit box with a banking or other financial institution instead of in an account referred to in paragraph (a), (b) or (c) of the definition of "account" in [section 2 of the Bank Use Promotion Act \[Chapter 24: 24\]](#).

60A Special warrant for access to money, funds and other assets in possession of professional custodians

Inserted by the Finance Act 13/2023 w.e.f. 29 December, 2023.

(1) In this section—

"tax debtor" means a person—

- (a) in respect of whom or which any tax under this Act has been assessed to be payable; and
- (b) whose appeal or objection in relation to such assessment has not been timeously pursued, or if pursued has been withdrawn, abandoned or dismissed.

(2) If, on the basis of information obtained from a professional custodian under [section sixty](#) or by any other means, the Commissioner-General believes that any tax debtor possesses or has title to moneys, funds or assets held by professional custodian, the

Commissioner-General, or an officer of the Authority authorised thereto by the Commissioner-General, may, at any time, on written application subscribed by the Commissioner-General to any judge, magistrate or justice of the peace (other than a police officer), obtain a special warrant compelling the tax debtor to afford access to the Commissioner-General or any officer of the Authority named in the warrant to such moneys, funds or assets and to take such moneys, funds or assets into the custody of the Authority.

(3) An application for a special warrant must—

- (a) name the tax debtor who is the subject of the warrant, together with his or her address and contact details, and the assessed extent of his or her liability for tax; and
- (b) be supported by an affidavit sworn by or on behalf of the Commissioner-General affirming that, from information available to him or her, he or she has reasonable grounds of suspicion against that tax debtor for having committed any offence in terms of [section 81](#), [82](#), [84](#), [85](#) or [86 of the Income Tax Act \[Chapter 23:06\]](#).

(4) By virtue of a special warrant, an officer of the Authority may, at any time, do any or all of the following on any premises upon which the special warrant is executed—

- (a) require the tax debtor to open any safety deposit box or other receptacle (whether or not owned or on the premises of a professional custodian) in which cash, negotiable instruments, share certificates, title documents, precious metals or precious stone may be secured;
- (b) require the tax debtor to provide any electronic or other key needed to open any safety deposit box or other receptacle, or to decrypt into an intelligible form any encrypted information needed to gain access to any property of the tax debtor;
- (c) make such examination and inquiry as the officer considers appropriate into the affairs of any tax debtor;
- (d) require any person who is employed in or at the premises of the tax debtor to produce any book, account, notice, record, list or other document relating to the affairs of the tax debtor;
- (e) require from any person an explanation of any entry made in any book, account, notice, record, list or other document found upon any person or premises referred to in paragraph (d);
- (f) examine and make copies of any book, account, notice, record, list or other document relating to the affairs of a tax debtor;
- (g) take possession of any book, account, notice, record, list or other document relating to the affairs of the tax debtor, or of the contents of any safety deposit box or receptacle;

Provided that—

(i) such book, account, notice, record, list or other document, or of the contents of any safety deposit box or receptacle, shall be retained only so long as may be necessary for the purpose of any examination, investigation, trial or inquiry arising out of any contravention of [section 81, 82, 84, 85 or 86 of this Act](#), or [section 10 or 11 of the Bank Use Promotion Act \[Chapter 24:24\]](#);

(ii) the officer of the Authority taking any items into possession shall issue to the person or institution having custody of the same a full written receipt for such items setting forth an adequate description of the nature, quantity and, if ascertainable, value of the same, and specifying any identification numbers or marks with which any such items may be labelled.

(5) A tax debtor who fails to give the access or make any disclosure required by virtue of a special warrant shall be guilty of an offence and liable to a fine not exceeding level fourteen or to imprisonment for a period not exceeding five years or to both such fine and such imprisonment.

(6) An officer of the Authority executing a special warrant shall—

- (a) notify the officer commanding the police district in which the inspector intends to make the search, entry or seizure; and
- (b) be accompanied by a police officer assigned to him or her or by the police officer referred to in paragraph (a):

Provided that where an officer of the Authority has reason for believing that any delay involved in obtaining the accompaniment of a police officer would defeat the object of the search, entry or seizure, he or she may make such search, entry or seizure without such police officer.

(7) The Authority (in the person of an officer of the Authority designated by the Commissioner-General for the purpose, the Prosecutor-General (or a public prosecutor designated by the Prosecutor-General for the purpose) and the liable person or liable persons may, if any items are seized pursuant to [subsection \(6\)\(f\)](#) in contemplation of a prosecution for an offence against [section 83\(1\)\(b\) of the Income Tax Act \[Chapter 23:06\]](#), or [section 10 or 11 of the Bank Use Promotion Act \[Chapter 24:24\]](#), may enter into a written agreement (called a “**non-prosecution agreement**”) whereunder the Prosecutor-General agrees not to institute criminal proceedings against any liable person on condition that the liable person (whether or not he or she admits guilt for any offence) agrees to the offsetting against the agreed cash value of items in question of the revenue owed by him or her in virtue of an imputed liability order, together with the an agreed amount in satisfaction or mitigation of the costs incurred by the Authority in recovering and securing the safe custody of the items in question.

(8) The non-prosecution agreement shall be in writing and signed by or the designated officer of the Authority, the Prosecutor-General (or a public prosecutor designated by the Prosecutor-General for the purpose), and the liable person or liable persons, and a copy authenticated by the Authority shall be served by the Authority on each of the other parties to the agreement.

61 Public officer of companies

(a1) In this section, “**company**” includes *a private business corporation.

Definition inserted by Act 2 of 2005 from the 12th September, 2005.
Because * no longer exist, this definition needs amendment to align with the Companies and Other Business Entities Act [Chapter 24:31](#) -editor

(1) Every company which carries on a trade or has an office or other established place of business in Zimbabwe shall at all times be represented by an individual residing therein.

(2) Such individual shall be a person approved by the Commissioner and shall be appointed by the company or by an agent or legal practitioner who has authority to appoint such a representative for the purposes of this Act:

Provided that, in the event of any company being placed under *judicial management or in voluntary or compulsory liquidation, the *judicial manager or liquidator duly appointed shall be required to exercise in respect of that company all the functions and assume all the responsibilities of a public officer under this Act during the continuance of such management or liquidation.

Because * judicial managers no longer exist, this proviso needs amendment to align with the Companies and Other Business Entities Act [Chapter 24:31](#) -editor

(3) The representative shall be called the public officer of the company and shall be appointed, in the case of a company which begins to carry on a trade, or establishes an office or other place of business in Zimbabwe, **within 1 month** from the establishment of such office or other place of business.

(4) In default of any such appointment, the public officer of any company shall be such managing director, director, secretary or other officer of the company as the Commissioner may designate for that purpose.

MA Limited v Zimra [16-HH-316](#)
Afritrade International Limited v Zimra [21-SC-003](#)

(5) Every such company, within the period prescribed by [subsection \(3\)](#), shall also appoint a place within Zimbabwe at which any notices or other documents under this Act affecting the company may be served or delivered, or to which any such notices or documents may be sent.

(6) No appointment shall be deemed to have been made under [subsection \(3\)](#) or [\(5\)](#) until notice thereof specifying the name of the public officer and an address for service or delivery of notices and documents has been given to the Commissioner.

(7) Every such company shall keep the office of public officer constantly filled and shall at all times maintain a place for the service or delivery of notices in accordance with [subsection \(5\)](#), and every change of public officer or of the place for the service or delivery of notices shall be notified to the Commissioner **within 30 days** of such change taking effect.

(8)

Penalty increased by Act 2 of 2005 from the 15th September, 2005, but repealed by section 20 of the Finance Act 1 of 2018 gazetted on the 14th March, 2018 with deemed effect from the **1st February 2009**.

See para 66 of Afritrade International Limited v Zimra [21-SC-003](#) -editor

(8a)

penalty repealed by the Finance Act 1 of 2018 gazetted on the 14th March, 2018 with deemed effect from the **1st February 2009**.

(9) Every notice, process or proceeding which under this Act may be given to, served upon or taken against any company may be given to, served upon or taken against its public officer, and if at any time there is no public officer then any such notice, process or proceeding may be given to, served upon or taken against any officer or person acting or appearing to act in the management of the business or affairs of such company or as agent of such company.

MA Limited v Zimra [16-HH-316](#)

(10) Every public officer shall be answerable for the doing of all such acts, matters or things as are required to be done under this Act by a taxpayer, and in case of default shall be liable to the penalties provided in respect of defaults by a taxpayer.

(11) Everything done by any public officer which he is required to do in his representative capacity shall be deemed to have been done by the company which he represents.

(12) The absence or non-appointment of a public officer shall not exonerate any company from the necessity of complying with the provisions of this Act, but the company shall in all respects be subject to and liable to comply with this Act as if there were no requirement to appoint such officer.

PART VII

OBJECTIONS AND APPEALS

62 Time and manner of lodging objections

(1) Any taxpayer who is aggrieved by—

(a) any assessment made upon him under this Act;

-[not against a fixed percentage of withholding tax -*FMC Finance (Pvt) Ltd v Zimra* [22-HH-311](#)
-the assessment must be a valid *one JK Motors v Zimra* [22-HH-762](#)
-invalid because raised on gross not taxable income- remedy *Paperhole Investments (Pvt) Ltd v ZIMRA & 2 Ors* [24-HH-149](#)

or

(b) any decision of the Commissioner mentioned in the *Eleventh Schedule*;

M Coy (Pvt) Ltd v Zimra [16-HH-661](#)
SDC Ltd v Zimra [18-HH-648](#)

or

- (c) the determination of a reduction of tax in terms of [section ninety-two, ninety-three, ninety-four, ninety-five](#) or [ninety-six](#);

may, unless it is otherwise provided in this Act, object to such assessment, decision or determination **within 30 days** after the date of the notice of assessment or of the written notification of the decision or determination in the manner and under the terms prescribed by this Act:

Omnia Fertilizer Zimbabwe P/L v Zimra & 7 Banks [24-HH-174](#)

Provided that nothing herein contained shall give a further right of objection to the amount of any assessed loss determined in respect of the previous year of assessment.

(2) No objection shall be entertained by the Commissioner which is not delivered at his office or posted to him in sufficient time to reach him on or before the last day appointed for lodging objections, unless the taxpayer satisfies the Commissioner that reasonable grounds exist for delay in lodging his objection.

(3) Every objection shall be in writing and shall specify in detail the grounds upon which it is made.

GC (Pvt) Ltd v ZIMRA [15-HH-759](#)

(4) On receipt of a notice of objection to an assessment, a decision or the determination of a reduction of tax the Commissioner—

- (a) may reduce or alter the assessment, alter the decision or, as the case may be, increase or alter the reduction or may disallow the objection;

—[except where there is no proper ‘assessment’ FMC Finance (Pvt) Ltd v Zimra [22-HH-311](#)

and

- (b) shall send the person upon whom the assessment has been made or to whom the decision has been conveyed or, as the case may be, to whom the reduction has been allowed, notice of the reduction, increase, alteration or disallowance:

Provided that, if the Commissioner has not notified the person who lodged the objection of his decision on it **within 3 months** after receiving the notice of objection, or within such longer period as the Commissioner and that person may agree, **the objection shall be deemed to have been disallowed.**

Proviso inserted by Act 22 of 1999, and period reduced to 3 months by the Finance [No.2] Act 8 of 2005 w.e.f. 1st January, 2006.

D Bank Ltd v ZIMRA [15-HH-135](#)

ZIMRA v Stanbic Bank Zimbabwe Ltd [19-SC-013](#)

Omnia Fertilizer Zimbabwe P/L v Zimra & 7 Banks [24-HH-174](#)

(5) If—

- (a) no objection to an assessment or the determination of a reduction of tax has been made; or

(b) an objection to an assessment or the determination of a reduction of tax has been disallowed or withdrawn;

the assessment or reduction shall, subject to any adjustment made in terms of [section forty-seven](#) or the decision of a court on an appeal determined in pursuance of this Part, be final and conclusive.

A v COT ICT 1691
Trek Petroleum Pvt Ltd v ZIMRA [17-SC-056](#)

(6) If an objection to an assessment or the determination of a reduction of tax has been ***allowed**, the assessment or reduction as reduced, increased or altered shall, subject to any adjustment made in terms of [section forty-seven](#) or the decision of a court on appeal determined in pursuance of this Part, be final and conclusive.

GC (Pvt) Ltd v ZIMRA [15-HH-759](#)
-letter undertaking to assess tax after an adjustment was made not = “*allowed” Zimbabwe Platinum Mines (Pvt) Ltd v ZIMRA [21-SC-159](#)

63 Burden of proof as to exemptions, deductions or abatements

In any objection or appeal under this Act, the burden of proof that any amount is exempt from or not liable to the tax or is subject to any deduction in terms of this Act or credit, shall be upon the person claiming such exemption, non-liability, deduction or credit : and upon the hearing of any appeal the court shall not reverse or alter any decision of the Commissioner unless it is shown by the appellant that the decision is wrong.

“Amnesty applicant” v COT [86-ITC-1423](#)
PL Mines (Pvt) Ltd v Zimra [15-HH-466](#)
C F (Pvt) Ltd v Zimra [18-HH-099](#)
SDC Ltd v Zimra [18-HH-648](#)
NYS v Zimra 19-HH-517
-PPCZ v Zimra [19-HH-755](#)
Proved was Improper to split payments of expenditure -some deductible/some not *NOC (Pvt) Ltd v Zimra* [19-HH-765](#)
E (Pvt) Ltd v Zimra [22-HH-010](#)
IAB Company v Zimra [22-HH-032](#)
Zimplats v Zimra [23-SC-016](#)

64 Special Court for Income Tax Appeals and proceedings on appeal

(1) For the purpose of hearing and determining appeals in accordance with [section sixty-five](#) or any proceedings incidental thereto or connected therewith, there is hereby established a court which shall be a court of record and be known as the Special Court for Income Tax Appeals.

being a **specialised division** of the **High Court**, as declared by section 5(c) of the Judicial Laws Amendment (Ease of Settling Commercial and Other Disputes) Act No.7 of 2017 promulgated on the 23rd June, 2017.

(2) The Special Court shall be presided over by a President, who shall be a person who is qualified in terms of [subsection \(3\)](#) and appointed as President of the Special Court in terms of [subsection \(1\) of section 92 of the Constitution](#):

Provided that, if no person has been so appointed or if such person is for any reason unable to serve as President of the Special Court, the Chief Justice may, after consulting the Judicial Service Commissioner, appoint a judge or acting judge of the High Court to be President of the Special Court for such period as he may specify.

(3) A person shall not be qualified for appointment in terms of [subsection \(2\)](#) unless—

- (a) he is a former judge of the Supreme Court or the High Court; or
- (b) he is qualified for appointment as a judge of the Supreme Court or the High Court.

(4) A person appointed in terms of [subsection \(2\)](#) may be appointed—

- (a) from time to time to deal with any particular case; or
- (b) for a particular period:

Provided that a judge or acting judge appointed by the Chief Justice in terms of the proviso to [subsection \(2\)](#) shall preside over the Special Court for such period as the Chief Justice may specify.

(5) Subject to [subsection \(2\) of section 92 of the Constitution](#), the conditions of service of a President of the Special Court, and the remuneration and allowances payable to any assessors who may be appointed in terms of [section sixty-seven](#), shall be as determined from time to time by the President.

(6) The Special Court shall sit at all times as may be fixed by the President of the Special Court and at such places as may be appointed by the Judge President of the High Court.

(7) The Registrar of the High Court shall be the Registrar of the Special Court and shall ensure the proper functioning of the court.

[Subsection \(7\)](#) amended by Act 12/2006 from 5th January, 2007.

(8) The procedure for the institution and hearing of appeals to the Special Court shall be in accordance with this Part and the rules set out in the *Twelfth Schedule*.

65 Appeals from decision of Commissioner to High Court or Special Court

(1) Any taxpayer entitled to object and who is dissatisfied with the decision or deemed decision of the Commissioner in terms of [subsection \(4\) of section sixty-two](#), may, in accordance with the rules set out in the *Twelfth Schedule*, appeal therefrom either—

- (a) to the High Court; or
- (b) to the Special Court.

Since this appeal constitutes a rehearing, the judge is not restricted by the considerations of the Commissioner and may take into account all the factors raised by both counsel in their respective oral and written submissions.

PL Mines (Pvt) Ltd v ZIMRA [15-HH-466](#)

M (Pvt) Ltd v ZIMRA [15-HH-665](#)

GC (Pvt) Ltd v ZIMRA [15-HH-759](#)

NYS v Zimra 19-HH-517

MW (Pvt) Ltd v ZIMRA 22-HH-022

Illegal and fatal to cite 'The Commissioner General' *MGZ (Pvt) Ltd v The Commissioner General Zimra*
[21-HH-269](#)

(2) Every notice of appeal shall be in writing, shall state whether the appellant wishes to appeal to the High Court or to the Special Court and shall be lodged with the Commissioner **within 21 days** after the date of the notice mentioned in [subsection \(4\) of section sixty-two](#) or, as the case may be, after the expiry of the period mentioned in the proviso to that subsection. Unless such notice of appeal has been lodged within the period prescribed by this subsection, it shall be of no effect whatsoever and the objection shall not be considered further:

Provided that the High Court or the Special Court to which the appellant wishes to appeal may, on good cause being shown or by agreement of the parties, extend the said period.

MA Limited v Zimra [16-HH-316](#)

(3) If any person fails to lodge the statement to which [rule 5](#) in the *Twelfth Schedule* relates within the period specified in that rule, the appeal shall be deemed to have lapsed unless the High Court or the Special Court, on good cause being shown, grants relief from the provisions of his subsection.

(4) At the hearing of any such appeal the arguments of the appellant shall be limited to the grounds stated in his notice of objection:

A Bank Ltd v ZIMRA [20-HH-270](#)

no "ambushing" prior to the hearing FMC Finance (Pvt) Ltd v Zimra [22-HH-311](#)

Provided that the High Court or the Special Court which hears such appeal may, on good cause being shown or by *agreement of the parties, grant leave to the appellant to rely on other grounds.

XYZ v CoT [77-RLR-001](#)

no leave sought *GC (Pvt) Ltd v ZIMRA* [15-HH-759](#)

M Coy (Pvt) Ltd v ZIMRA [16-HH-661](#)

CF (Pvt) Ltd v ZIMRA [18-HH-099](#)

ZIMRA v Stanbic Bank Zimbabwe Ltd [19-SC-013](#)

**PPC v ZIMRA* [19-HH-755](#)

(5) If the assessment has been altered or reduced, the assessment as altered or reduced shall be deemed to be the assessment against which the appeal is made.

(6) The hearing of an appeal under this section may be adjourned by the High Court or the Special Court, as the case may be, from time to time to any time and place that may seem convenient.

(7) Notwithstanding anything to the contrary contained in any other law, the sittings of the High Court and of the Special Court for the hearing of appeals under this section shall not be

public, and either the High Court or the Special Court shall at any time, on the application of the appellant, exclude from such sittings, or require to withdraw therefrom, all or any persons whosoever whose attendance is not necessary for the hearing of the appeal under consideration:

Provided that the High Court or the Special Court may authorize the **publication** of the legal considerations on which its judgment in any case is based.

(8) On the hearing and determination of any appeal under this section by the High Court, appearance on behalf of the Commissioner or the appellant or any other person who is interested in such appeal shall be in accordance with the laws and rules of court governing such appearance.

(9) On the hearing and determination of any appeal to the Special Court, the Commissioner or any person authorized by him may appear in support of the assessment, and the appellant may appear in person or represented by a legal practitioner or by an agent authorized by him in writing.

(10) ...

(a) Subject to this Act, the High Court or the Special Court, whichever hears an appeal under this section, may order any assessment or decision under appeal to be amended, reduced, withdrawn or confirmed or may, if it so thinks fit, refer the assessment or decision back to the Commissioner for further investigation and assessment or decision. Any assessment or decision made by the Commissioner on such reference shall be subject to objection and appeal as provided in this Part.

(b) The power conferred upon the High Court or the Special Court by paragraph (a) shall, in the case of an appeal against any decision of the Commissioner made in the exercise of his discretion under [subsection \(6\) of section forty-six](#), include the power to restore in part or in whole such portion of the additional tax imposed under [subsection \(1\) of that section](#) as may have been remitted by the Commissioner.

(11) The Commissioner shall give effect, by the issue of such assessments as may be necessary, to any decision of the High Court or the Special Court under this section.

(12) The High Court or the Special Court to which an appeal is made under this section shall not make any order as to costs save when the claim of the Commissioner is held to be unreasonable or the grounds of appeal therefrom to be frivolous.

GC (Pvt) Ltd v ZIMRA [15-HH-759](#)
MAN LTD v ZIMRA [20-HH-078](#)
Triangle Ltd & Hippo Valley Estates v ZIMRA & 10 ors [20-HMA-028](#) – on appeal [21-SC-082](#)
FMC Finance (Pvt) Ltd v Zimra [22-HH-311](#)
BCM (Pvt) Ltd v ZIMRA [23-SC-006](#)

(13) Subject to [section sixty-six](#), any decision of the High Court or the Special Court under this section shall be final and without appeal.

66 Appeals from determination of High Court or Special Court to Supreme Court

(1) On the determination by the High Court or the Special Court of an appeal under [section sixty-five](#) or other proceedings incidental to or connected therewith, the appellant or the Commissioner, if dissatisfied with the determination—

- (a) may appeal to the Supreme Court on any ground of appeal which involves a question of law alone;
- (b) may, **with the leave** of a judge of the High Court or a President of the Special Court, as the case may be, or, if such judge or President refuses to grant leave, with the leave of a judge of the Supreme Court, appeal to the Supreme Court on any ground of appeal which involves a question of fact alone or a question of mixed law and fact.

Ka. v CoT [93-SC-001](#)
BCM (Pvt) Ltd v ZIMRA [23-SC-006](#)

(2) Notwithstanding anything to the contrary contained in any other law, the sittings of the Supreme Court for the hearing of appeals under [subsection \(1\)](#) shall not be public and the Supreme Court shall at any time, on the application of the appellant in the court below, exclude from such sittings, or require to withdraw therefrom, all or any persons whomsoever whose attendance is not necessary for the hearing of the appeal under consideration:

Provided that the Supreme Court may authorize the **publication** of the legal considerations on which its judgment in any case is based.

67 Assessors

For the hearing of any appeal under the provisions of this Part, the presiding judge or a President of the Special Court may, either of his own motion or on the application of either party, appoint one or two assessors to advise at such hearing. Any assessor appointed in terms of this section shall act in a purely advisory capacity and shall have no right to vote on any decision.

68 Decisions not subject to objection or appeal

Save as is provided in [paragraph \(b\) of subsection \(1\) of section sixty-two](#), no decision of the Commissioner shall be subject to objection or appeal.

69 Payment of tax pending decision on objection and appeal

(1) The obligation to pay and the right to receive any tax chargeable under this Act shall not, *unless the Commissioner otherwise directs and subject to such terms and conditions as he may impose, be suspended pending a decision on any objection or appeal which may be lodged in terms of this Act.

Ellis N.O. v CoT [92-SC-001](#)
Zimra does not require to issue any notice *Central African Road Svcs (Pvt) Ltd v Zimra* [17-HH-110](#)
Trek Petroleum Pvt Ltd v Zimra(1) [17-HH-477](#)

Trek Petroleum Pvt Ltd v Zimra(2) [17-SC-056](#)
Paperhole Investments (Pvt) Ltd v Zimra [24-HH-149](#)

Omnia Fertilizer Zimbabwe P/L v Zimra & 7 Banks [24-HH-174](#)

(2) If any assessment or decision is altered on appeal, a due adjustment shall be made, for which purpose amounts paid in excess shall be refunded and amounts short paid shall be recoverable.

competent to garnishee a bank to recover penalties *Triangle Ltd v ZIMRA* [11-HB-012](#)
Mayor Logistics (Pvt) Ltd v Zimra [14-CC-007](#)

70 Judge and assessors not disqualified from adjudicating or advising

A judge of the Supreme Court or of the High Court or a President of the Special Court or any assessor of any such courts shall not, solely on account of his liability to tax under this Act, be deemed to be interested in any matter upon which he may be called upon to adjudicate or advise thereunder.

PART VIII

PAYMENT AND RECOVERY OF TAX

71 Appointment of day & place for payment of tax

(1) Tax shall become due and payable on such date and shall be paid on or before such days and at such places as are fixed or prescribed by or under this Act or, where no such time or place is so fixed or prescribed, as may be notified by the Commissioner, and may be paid in 1 sum or in instalments of equal or varying amounts as may be determined by the Commissioner, having regard to the circumstances of the case:

Provided that nothing herein contained shall deprive any taxpayer of the right to pay his tax through the post.

Amended by Act 18/2000 from 12th January, 2001
Mayor Logistics (Pvt) Ltd v ZIMRA [14-CC-007](#)

(2) If tax is not paid on or before such days and at such places as are fixed or prescribed by or under this Act or, where no such time or place is so fixed or prescribed, as are notified by the Commissioner in terms of [subsection \(1\)](#), **interest**, calculated at a rate to be fixed by the Minister, by *statutory instrument*, shall be payable on so much of the tax or an instalment of the tax, as the case may be, as from time to time remains unpaid by the taxpayer during the period beginning on the date specified by the Commissioner in the notification as the date on which the tax or the instalment of the tax shall be paid and ending on the date the tax or the instalment of the tax is paid in full:

Man Ltd v Zimra [20-HH-078](#)
See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#)
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Provided that in special circumstances the Commissioner may extend the time for payment of the tax without charging interest.

Amended by Act 10/2003 from the 30th December, 2003.

MR Bank Ltd v Zimra [19-HH-779](#)

(3) For the avoidance of doubt it is declared that where any person responsible for the payment of any tax to the Commissioner in terms of the *Ninth, Thirteenth, Fifteenth, Sixteenth, Seventeenth or Eighteenth Schedule* fails, within the time provided by the *Schedule* concerned to pay the tax, **interest** calculated at a rate to be fixed by the Minister by *statutory instrument* shall be payable on so much of the tax as remains unpaid during the period beginning on the day next following the last day provided in the *Schedule* concerned for its payment and ending on the date the tax is paid in full.

Inserted by Act 10/2003 from the 30th December, 2003.

See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#)
gazetted on the 19th December, 2022 backdated to the 1st DECEMBER, 2022

72 Payment of provisional tax

(1) In this section—

“**notice of assessment**” means a notice referred to in [subsection \(2\) of section fifty-one](#), stating the amount of tax to be paid by a person;

“**provisional tax**”, in relation to any person, means an amount which he or she estimates will be the amount of tax liable to be paid by him or her after excluding any employees’ tax which has been withheld in terms of the *Thirteenth Schedule* from any remuneration paid or payable to him or her in respect of the same year of assessment;

“**quarterly payment date**”, means the day fixed in terms of this section as the day on or before which an instalment of provisional tax shall be paid;

“**relevant year of assessment**”, in relation to any provisional tax, means the year of assessment in which the income in respect of which the tax is payable accrued;

“**tax liable to be paid**”, means any tax payable in respect of the relevant year of assessment;

(2) Subject to this section, where a person’s taxable income in any year of assessment includes an amount in respect of which employees’ tax is not withheld in terms of the *Thirteenth Schedule*, he or she shall pay provisional tax on that amount in 4 quarterly instalments:

Provided that the following persons who would otherwise be liable to pay provisional tax under this section shall pay tax in the manner notified by the Commissioner-General under [section seventy-one](#)—

(i) persons liable for property or insurance commission tax in terms of [section thirty-six I](#); and

(ii) any other class of taxpayer as the Commissioner-General may, by public notice, specify for the purposes of this proviso.

(3) Every provisional taxpayer shall, during every period within which provisional tax is or may be payable, submit to the Commissioner-General, together with a return in the form prescribed by the Commissioner-General, an estimate of the total taxable income which will be derived by the taxpayer in the year of assessment in respect of which provisional tax is or may be payable by the taxpayer.

Amended by Act 6 of 2006 from the 1st September, 2006.

(4) If any provisional taxpayer fails to submit any estimate or return as required by [subsection \(3\)](#), the Commissioner-General may estimate the taxable income which is required to be estimated, and such estimate shall be final and conclusive.

Amended by Act 6 of 2006 from the 1st September, 2006.].

(5) The Commissioner-General may call upon any provisional taxpayer to justify any estimate made by him or her in terms of [subsection \(3\)](#), or to furnish particulars of his or her income and expenditure or any other particulars that may be required, and, if the Commissioner-General is dissatisfied with the said estimate, he may increase the amount thereof to such amount as he considers reasonable, and the estimate as increased shall be final and conclusive.

(6) Any decision of the Commissioner-General in the exercise of his discretion under [subsection \(4\)](#) or [\(5\)](#) shall be subject to objection and appeal.

(7) Subject to this section, the instalments of provisional tax payable in terms of [subsection \(2\)](#) shall be paid as follows

- (a) the **1st** quarterly instalment, of **10%** of the provisional tax payable, shall be paid on or before the **25th March** in the relevant year of assessment; and
- (b) the **2nd** quarterly instalment, of **25%** of the provisional tax payable shall be paid on or before the **25th June** in the relevant year of assessment; and
- (c) the **3rd** quarterly instalment, of **30%** of the provisional tax payable shall be paid on or before the **25th September** in the relevant year of assessment; and
- (e) the **4th** quarterly instalment, of **35%** of the provisional tax payable, shall be paid on or before the **20th December** in the relevant year of assessment.

Provided if the Commissioner-General has exercised his or her discretion in relation to any taxpayer under [section 37\(13\)](#) to accept some date, **other than** the end of a year of assessment, as the date on which the taxpayer concerned makes up his or her annual accounts, the dates on which the quarterly payments are to be made for the purposes of this subsection shall be adjusted accordingly.

Proviso inserted by Finance (No. 2) Act 10 of 2022 gazetted on 30th December, 2022.

(8) As soon as practicable after the tax payable by a person has been determined, the Commissioner-General shall

- (a) set off any amount of provisional tax the person may have paid against, successively
 - (i) the tax the person is liable to pay; and

(ii) any other tax or amount due and payable to the Commissioner-General by the person;

and

(b) refund to the person any amount of provisional tax not so credited.

(9) [Subsection \(2\) of section seventy-one](#), other than the proviso thereto, shall, subject to [subsections \(7\)](#) and [\(8\)](#), apply, *mutatis mutandis*, to any amount of provisional tax remaining unpaid after the quarterly payment date on or before which the instalment was required to be paid.

(10) For the purposes of [subsection \(9\)](#), if the amount of a quarterly instalment of tax paid by a person is less than the rate prescribed under [subsection \(7\)\(a\)](#), [\(b\)](#), [\(c\)](#), or (d), as the case may be, of the amount of tax actually due, such deficit shall be deemed to be an amount of provisional tax remaining unpaid by him or her after the quarterly payment date on which the instalment was required to be paid.

Subsection 10 substituted by Act 4 of 2012 w.e.f. 17th September, 2012

(11) If the Commissioner-General is satisfied that a person required to pay provisional tax under this section

(a) was, through special circumstances, unable to pay the whole or part of an instalment of provisional tax payable by him or her;

SZ (Pvt) Ltd v Zimra [20-HH-142](#)

or

(b) underestimated the amount of an instalment of provisional tax payable by him or her **by not more than 10%** or through an increase in the rates of tax or for any other sufficient cause;

the Commissioner-General may waive the whole or part of any interest payable under [section seventy-one \(2\)](#).

Subsection 11 substituted by Act 4 of 2012 w.e.f. 17th September, 2012

(12) [Section seventy-four](#) shall apply to the payment of provisional tax in the same way as it applies to the payment of tax.

(13) Notwithstanding any other provision of this section

- (a) this section shall not apply to any person whose taxable income, apart from income in respect of which employees' tax is required to be withheld in terms of the *Thirteenth Schedule*, does not exceed such amount as may be prescribed by the Minister by notice in the *Gazette*;
- (b) the Commissioner-General may, by written notice to the person concerned, fix different dates from those specified in [paragraphs \(a\)](#), [\(b\)](#), [\(c\)](#) and [\(d\) of subsection \(7\)](#) as any person's annual payment dates, and this section shall apply to that person accordingly.

(14) With particular reference to [subsection \(13\)\(b\)](#), the Commissioner-General, may, on application by a taxpayer who qualifies as a “**small or medium enterprise**” as defined in section 2B of the Charging Act, permit such taxpayer to pay provisional tax under this section on a monthly basis, that is to say, 1 month at a time in advance.

[subsection \(14\)](#) inserted by the Finance Act of 2017 w.e.f. the 23rd March, 2017.

73 Payment of employees’ tax

(1) Employees’ tax shall be payable in terms of the *Thirteenth Schedule* in respect of the remuneration liable to employees’ tax as defined in paragraph 1 of that *Schedule* paid or payable in any year of assessment to an individual who is an employee as defined in that paragraph.

(2) Payments in respect of the amounts withheld under subparagraph (1) of paragraph 3 of the *Thirteenth Schedule* shall be made in accordance with that Schedule at such place as may be notified by the Commissioner.

(3) If any amount of employees’ tax is not paid in full within the period prescribed for payment thereof by subparagraph (1) of paragraph 3 of the *Thirteenth Schedule*, **interest** shall, unless the Commissioner having regard to the circumstances of the case otherwise directs, be paid by the employer at a rate to be fixed by the Minister, by *statutory instrument*

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on so much of such amount as from time to time remains unpaid by the employer during the period beginning on the day next following the last day of the period prescribed as aforesaid and ending on the day such amount is paid in full.

74 Persons by whom tax is payable

(1) Tax shall, subject to the provisions of this Act, be payable—

- (a) in respect of income to which a representative taxpayer is entitled in his representative capacity or of which in that capacity he has the management, receipt, disposal, remittance, payment or control, by the representative taxpayer; and
- (b) in respect of income not referred to in paragraph (a) which accrues or is deemed to accrue to or in favour of or is received or deemed to be received by a person, by the person to whom or in whose favour the income accrues or is deemed to accrue or by whom the income is received or is deemed to be received.

(2) A taxpayer in whose income there is included an amount which would, but for [subsection \(3\), \(4\), \(5\) or \(6\) of section ten](#) be included in the income of some other person, may recover from that other person so much of the tax paid by the taxpayer as is attributable to the inclusion of that amount in the income of the taxpayer.

75 Temporary trade

- (1) Where the Commissioner has reason to believe that any person intends carrying on a trade in Zimbabwe for a limited period only he may at any time and from time to time require that person to give security, by bond or deposit or otherwise, to the satisfaction of the Commissioner, for the due return of and payment of tax on the income derived by that person from sources within, or deemed to be within, Zimbabwe.
- (2) Any person who, without just cause, fails or refuses to give security when required to do so in terms of [subsection \(1\)](#) shall be guilty of an offence and liable to a fine not exceeding level four or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment.

Inserted by the Criminal Penalties Amendment Act No. 22 of 2001, from the 10th September, 2002.

76 No tax payable in certain circumstances

- (1) Notwithstanding any other provision of this Act or a charging Act, no tax in respect of a year of assessment shall be payable by a person if his liability for such tax or, if he is liable to pay 2 or more taxes, the aggregate of such taxes in respect of that year, is less than **US\$0.50** or such other amount as the Minister may fix in regulations made under [section ninety](#).

Amended by Act 29 of 1998 from 1 January 1999;
further by Act 29 of 2004 from the 1 January 2005;
reduced from **\$ 100 000** to the above limit w.e.f. 12/8/06 i.t.o. Act 12/2006 and w.e.f. 1st August, 2008 i.t.o SI 109/2008;
amended in US\$ by Act 5/2009 w.e.f. the 30th September, 2009;
further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7 of 2019 w.e.f. 21st August, 2019;
amount increased by the Finance (No.2) Act 10 of 2020 w.e.f. 31st December, 2020;
increased by Finance Act 8/2022 w.e.f. 24th October, 2022
increased by Finance Act 13/2023 w.e.f. 29th December, 2023.

- (2) Notwithstanding anything contained in this Act or any charging Act, no further income tax in respect of a year of assessment shall be payable by an individual if his liability for income tax in respect of that year exceeds by less than \$250.00 or such other amount as the Minister may fix in regulations made under [section ninety](#) the amount credited in payment of that tax in terms of paragraph 18 of the Thirteenth Schedule.

Amended by Act 29 of 1998 from the 1 January 1999;
further by Act 29 of 2004 from the 1 January 2005;
reduced from **\$ 100 000** to the above limit w.e.f. 12/8/06 i.t.o. Act 12/06 and w.e.f. **1st August, 2008** i.t.o **SI 109/2008**;
amended in US\$ by Act 5/2009 w.e.f. the 30th September, 2009;
further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
amount increased by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
increased by Finance Act 8/2022 w.e.f. 24th October, 2022.

77 Recovery of tax

(1) Any tax shall, when it becomes due or is payable, be deemed to be a debt due to the State and shall be payable to the Commissioner in the manner and at the place prescribed, and may be sued for and recovered by action by the Commissioner in any court of competent jurisdiction.

(2) Notwithstanding anything contained in any law relating to magistrates courts, any amount whatsoever due and payable under this Act shall be recoverable by action in the court of the magistrate having jurisdiction in respect of the person by whom such amount is payable under this Act.

(3) If a person by whom tax is due and payable transfers or has transferred any asset to a relation with the intention of avoiding recovery of the tax, the relation shall be deemed to be chargeable with the tax up to an amount equal to the fair market value of the asset—

(a) when it was so transferred; or

(b) when the relation is charged with the tax; whichever value is the greater.

Trek Petroleum Pvt Ltd v ZIMRA(1) [17-HH-477](#)

(4) If it is proved that—

(a) after any tax became due and payable by him, or within 1 year before it became due and payable, a person transferred an asset to a relation; and

(b) the transfer was not one which is normally effected between relations in the same financial circumstances as that person and his relation;

it shall be presumed, unless the contrary is proved, that he transferred the asset with the intention of avoiding recovery of the tax.

(5) —

(a) If any tax due and payable by a partner in any business, which is referable to the taxable income derived from the partnership business, is outstanding after his assets in Zimbabwe, other than his interest in the assets of the partnership, have been excused or taken in execution, the partnership shall be deemed to be chargeable with the tax outstanding which shall become due and payable by it on such date as the Commissioner may specify in a notification given to it for that purpose in terms of [subsection \(1\) of section seventy-one](#) and that partner shall be released from the payment of so much of the tax outstanding as is recovered by the Commissioner in pursuance of that notification:

Provided that the amount of tax recoverable from the partnership shall not exceed the value of such partner's interest in the assets of the partnership.

(b) The amount of tax referable in terms of paragraph (a) shall be the proportion of the total tax due by the partner determined in accordance with the ratio that the partner's taxable income derived from the partnership business bears to his total taxable income.

(6) So much of any tax payable by any person under this Act as is due to the inclusion in his income of any income deemed to have been received by or accrued to him or to be his income, as the case may be, in terms of [subsection \(3\)](#), [\(4\)](#), [\(5\)](#) or [\(6\) of section ten](#), may be recovered by the Commissioner from the assets by which the income so included was produced.

(7) In [subsections \(3\)](#) and [\(4\)](#),—

“**relation**” in respect of

- (a) an individual, means a near relative;
- (b) a company, means another company which, in the Commissioner’s opinion, is under the same or substantially the same control or is a member of the same group of companies.

(8) If, in Zimbabwe or in its country of formation, incorporation or registration, a company or entity (“**the old company or entity**”) is wound up voluntarily, or otherwise in circumstances that give rise to a reasonable suspicion that it was deliberately put into liquidation to avoid any tax liability, and —

Subsection inserted by Finance Act 1/2019 gazetted 20th February 2019 w.e.f. 1st January, 2019.

- (a) the directors (or other persons acting in a similar capacity) of the old company or entity (or any of them)—
 - (i) incorporate or register another company or other entity (hereinafter called the “**new company or entity**”) that carries out substantially the same business as the old company; or
 - (ii) operate as **sole traders**, whether individually or collectively, carrying on substantially the same business as the old company;
- (b) the whole or a substantial part of its business and property wherever situated is transferred to another company or entity which will be or has been formed, incorporated or registered under any law;

the directors of the old company or entity (whether or not any of them become directors of or act in a similar capacity in relation to the new company or entity) shall be jointly and severally liable for the amount of any tax due and payable by the old company or entity.

(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—

[Subsection \(9\)](#) inserted by Finance Act 7/2021 w.e.f. 31 December, 2021.

- (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 12 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.

78 Form of proceedings

- (1) Proceedings in any court for the recovery of any tax shall be deemed to be proceedings for the recovery of a debt validly acknowledged in writing by the debtor.
- (2) In any action or proceedings for the recovery of any tax it shall not be competent for the defendant to question the correctness of any assessment, notwithstanding that an objection or appeal may have been lodged thereto.

79 Evidence as to assessments

The production of any document under the hand of the Commissioner or of any officer duly authorized by him purporting to be a copy of an extract from any notice of assessment shall be *conclusive evidence of the making of such assessment and, except in the case of proceedings on appeal against the assessment, shall be conclusive evidence that the amount and all the particulars of such assessment appearing in such document are correct.

**Trek Petroleum Pvt Ltd v Zimra [17-SC-056](#)*

80 Withholding of amounts payable under contracts with State or statutory corporations

- (1) In this section—

Definition of “contract” amended by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020; substituted by Finance Act 7/2021 w.e.f. 31 December, 2021: amended further by section 13 of Finance Act 8/2022 gazetted on the 24th October, 2022 by increasing the threshold beyond zwl\$130 000.

“**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 , **US\$1 000** or more, over the year of assessment:

Amended by Finance Act 13/2023 w.e.f. 29th December, 2023.

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;

Definition amended by Act 29 of 2004 from 1st January, 2005, and by Act 2 of 2005 gazetted on the 12th September, but with effect from the 1st January, 2005;
Editor's Note: para (c) caters for sales by retailers or wholesalers to consumers, and for the supply of farm produce and livestock to farmers.
Payments for farm produce to persons who buy for resale such as traders, retailers and wholesalers are still subject to the withholding amount requirements.

- (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 thirty-sixA](#).

Para (d) inserted by the Finance Act 1 of 2018 w.e.f. the 1st January, 2018.

“payee” means a person to whom any amount is payable in terms of a contract, **but does not include—**

- (a) a non-resident person liable to pay the withholding taxes under the *Seventeenth, Eighteenth and Nineteenth Schedules*; or
- (b) a non-resident person whose income is taxed by virtue of [section twelve\(6\)](#) and [\(7\)](#); or
- (c) any person making any delivery or deliveries of grain to the Grain Marketing Board established under the [Grain Marketing Act \[Chapter 18:14\]](#), or other commercial buyers, if such person is paid an amount for such delivery or an aggregate amount for such deliveries in the year of assessment **not exceeding US\$5,000** or its equivalent in Zimbabwe dollars (and if he or she is paid more, this paragraph does not apply to so much of the amount or aggregate amounts as exceed US\$5,000);

[Para (c) substituted by Act 13/2023 w.e.f. 29th December, 2023.]

or

- (d) any person making any **delivery of grain** to the Grain Marketing Board established under the [Grain Marketing Act \[Chapter 18:14\]](#); or
- (e) any small-scale **gold miner** (as defined in the *Thirtieth Schedule*) making any delivery of gold to Fidelity Printers and Refiners (Private) Limited (the agent of the Reserve Bank of Zimbabwe for the purchase of gold from gold producers;

Definition substituted by Act 1/2019 w.e.f. 20th February, 2019; substituted by Act 13/2019 w.e.f. 31st December, 2019, which added the following para (f):-

- (f) any grower or contracted **grower of cotton** making a delivery of cotton or cotton seed in accordance with the Agricultural Marketing Authority (Seed Cotton and Seed Cotton Products) Regulations, 2009, published in [Statutory Instrument 142 of 2009](#), or any other law that may be substituted for the same).

Definition (f) inserted by section 12 of Act 8/2020 w.e.f. 28th October, 2020.

- (2) The failure by the Grain Marketing Board established under the [Grain Marketing Act \[Chapter 18:14\]](#) to withhold (in terms of [section 80 of the Income Tax Act \[Chapter 23:06\]](#)) tax from payments to persons making grain deliveries to it from the **1st August, 2013**, to the end of the financial year on 31st December, 2019, is hereby condoned.

“paying officer” means an officer or employee of the State or a statutory body, a quasi-Governmental institution or registered taxpayer who is responsible for paying a payee any amount due to him in terms of a contract;

Amended by Act 29 of 2004 from 1st January, 2005.

“payment” means payment by cash, barter, set-off, crediting a director’s loan accounts, intercompany debits and credits or by other settlement of obligations whatsoever and in any form;

Definition inserted by Act 1 of 2014 with effect from the 4th April, 2014.

“quasi-Governmental institution” means any person, whether corporate or unincorporated—

- (a) established directly by or under any enactment for special purposes specified in that enactment; or
- (b) wholly owned or controlled by the State that discharges statutory functions;

Definition inserted by Act 29 of 2004 from 1st January, 2005.

“registered taxpayer” means a person who is registered—

- (a) as an employer in terms of the *Thirteenth Schedule*; or
- (b) as a taxpayer in the records of the Commissioner-General otherwise than as an employer; or
- (c) as a depositary in terms of section 22FA of the [Capital Gains Tax Act \[Chapter 23:01\]](#); or
- (d) as a registered operator in terms of the [Value Added Tax Act \[Chapter 23:12\]](#).

Definition inserted by Act 29 of 2004 from 1st January, 2005.

- (2) Subject to this section, unless a payee furnishes the paying officer with a tax clearance certificate, the paying officer **shall withhold 30%** of each amount payable to the payee under the contract concerned, and shall remit each amount so withheld to the

Commissioner **on or before the 10th day of the month following** that in which the payment was made.

Amount to be withheld increased from 10% to the above % by Finance Act 7/2021 w.e.f. 31 December, 2021.

Objections shall be by a **civil action** for the debt incurred *FMC Finance (Pvt) Ltd v Zimra* [22-HH-311](#)]

(3) Where a paying officer has withheld any amount in terms of [subsection \(2\)](#) he shall furnish the payee concerned with a **Certificate**, in a *form approved by the Commissioner, showing the amount so withheld.

See **SGC** .attached -which is the Self generating certificate that every payer is expected to give to the payee. Without this SGC the payee cannot claim the 10% deducted by the payer and paid to Zimra on behalf of the payee. Remember, practically, Zimra will only offset the 10% withholding tax when the payee produces these certificates and makes his claim after assessments have been raised
Editor.- with acknowledgement to **Fiona Farmer**

(4) The Commissioner shall retain any amount remitted to him under [subsection \(2\)](#) until the income tax payable by the payee concerned for the year of assessment referred to in that subsection has been assessed, whereupon—

- (a) the amount shall be allowed as a credit against the income tax so payable by the payee; or
- (b) where the amount exceeds the income tax so payable by the payee, the Commissioner shall forthwith refund the excess to the payee.
- (c) where the registered taxpayer is exempt from payment of tax, the Commissioner shall refund the tax so payable to the payee or allow a set-off against other tax payable to the Commissioner.

Para (c) inserted by the Finance Act 1/2019 w.e.f. 20th February, 2019.

(5) No action shall lie against the State, statutory body, quasi-Governmental institution, registered taxpayer or a paying officer in respect of withholding of any amount in terms of this section, nor shall such withholding constitute a breach of the contract concerned.

Amended by Act 29 of 2004 from 1st January, 2005.

(6) A person who concludes a contract on behalf of the State, a statutory body, quasi-Governmental institution or registered taxpayer shall take all necessary steps to ensure that the person with whom the contract is concluded is made aware of the provisions of this section:

Amended by Act 29 of 2004 from 1st January, 2005.

Provided that a failure to comply with this subsection shall not relieve a paying officer of his obligations under this section.

(7) Subject to [subsection \(9\)](#), if a statutory body, quasi-Governmental institution or registered taxpayer fails to withhold or to pay the Commissioner any amount required to be withheld from a payee in terms of this section, the statutory body, quasi-Governmental institution or registered taxpayer shall be liable for the payment to the Commissioner, not

later than the date on which payment should have been made if the amount had been withheld in terms of [subsection \(2\)](#), of—

- (a) the amount which the statutory body, quasi-Governmental institution or registered taxpayer failed to withhold or to pay to the Commissioner; and
- (b) a further amount equal to such amount.

(8) The amounts for the payment of which a statutory body, quasi-Governmental institution or registered taxpayer is liable in terms of [subsection \(7\)](#)—

- (a) shall be debts due by the statutory body, quasi-Governmental institution or registered taxpayer to the State; and
- (b) may be sued for and recovered by **action** by the Commissioner in any court of competent jurisdiction.

FMC Finance (Pvt) Ltd v Zimra [22-HH-311](#)

(9) The Commissioner may, if he or she is satisfied that a failure to withhold or to pay to him or her any amount required to be withheld from a payee in terms of this section was not due to an intent to evade this section, waive the payment of the whole or such part as he or she thinks fit or repay the whole or such part as he or she thinks fit of any amount referred to in [subsection \(7\)\(b\)](#).

[Subsections \(7\),\(8\)](#) and [\(9\)](#) inserted by Finance Act 2 of 2005 gazetted on 12th September, but w.e.f. the 1st January, 2005

(10)

penalty repealed by the Finance Act 1 of 2018 gazetted on the 14th March, 2018 with deemed effect from the 1st February 2009.

CONDONATIONS FOR NON WITHHOLDING of TAX

(2) The **failure by the Reserve Bank of Zimbabwe** to withhold (in terms of section *eighty* of the Income Tax Act) tax from payments to payees who are recipients of interest accruing from **Treasury Bills** is hereby **condoned** for the period **1st February, 2009 to 1st December, 2018**.

(3) The **failure by any School** to withhold tax from payments to payees (in terms of section *eighty* of the Income Tax Act) is hereby **condoned** for the period **6 years ending on the 31st December, 2017**.

Extra Paragraphs (2) and (3) above inserted by the Finance Act 1/2019 gazetted 20th February, 2019.

(11) Where a statutory body, quasi-Governmental institution or registered taxpayer pays to the Commissioner an amount referred to in [subsection \(7\)\(a\)](#) for failure to pay any amount required to be withheld from a payee in terms of this section, it shall have the right, **within 24 months** from the date on which payment should have been made if the amount had been withheld in terms of [subsection \(2\)](#), to recover that amount from the payee:

Provided that —

(a) the period of 24 months specified in this subsection is additional to any period calculated from the date on which any payment referred to in [subsection \(7\)\(a\)](#) was made between the **1st February, 2009** and the *date of commencement of this # Act;

which is the 31st December,2015:- see #hash below -Editor

(b) the statutory body, quasi-Governmental institution or registered taxpayer concerned shall not be entitled to recover from the payee any amount referred to in [subsection \(7\)\(a\)](#) or [\(10\)](#):

[subsection \(11\)](#) inserted by sect 3 of the # Finance (No.2) Act 9 of 2015 backdated with effect from the 1st February,2009 - hence the *addendum *Notwithstanding anything in the [Prescription Act \[Chapter 8:11\]](#).

80A Valid tax clearance certificate required before certain trades, services or entities licensed or registered

Inserted by Act 29 of 2004 from 1st January, 2005; and substituted by section 10 of the Finance Act 2 of 2005 from 1st January, 2006.

(1) In this section—

“**holder**”, “**mining location**” and “**tributor**” have the meanings assigned to those terms in paragraph 1(2) of the *Twenty-Sixth Schedule*;

“**licensing authority**” means—

- (a) in respect of **Civil Service vehicles**, the Commissioner of Road Transport referred to in [section 3 of the Road Motor Transportation Act, \[Chapter 13:15\]](#) or any Assistant Commissioner of Road Transport;
- (b) in respect of **miners**, the mining commissioner as defined in the [Mines and Minerals Act \[Chapter 21:05\]](#) or the Secretary responsible for mines;
- (c) in respect of the **trades and business** required to be licensed in terms of the [Shop Licences Act \[Chapter 14:17\]](#), the licensing authority as defined in that Act;
- (d) in respect of the persons who own, conduct or operate **designated tourist facilities** as defined in the [Tourism Act \[Chapter 14:20\]](#) or who provide or assist in providing any services which are such designated tourist facilities the licensing authority as defined in that Act;

“**miner**” means any person who is—

- (a) the owner, tributor or option holder of a mining location; or
- (b) the holder of a prospecting licence issued or an exclusive prospecting order granted in terms of the [Mines and Minerals Act \[Chapter 21:05\]](#);

“Public Service Vehicle” means a motor vehicle in respect of whose operation an operator’s licence is required in terms of the [Road Motor Transportation Act \[Chapter 13:15\]](#).

(2) A licensing authority shall not issue or renew—

- (a) any operator’s licence in respect of the operation of any **Public Service Vehicle**; or
- (b) a certificate of registration of a mining location under the [Mines and Minerals Act \[Chapter 21:05\]](#) to a miner; or
- (c) a licence in respect of any trade or business required to be licensed in terms of the [Shop Licences Act \[Chapter 14:17\]](#); or
- (d) a licence to any person who owns, conducts or operates a designated tourist facility as defined in the [Tourism Act \[Chapter 14:20\]](#) or who provides or assists in providing any service which is such a designated tourist facility;

unless the operator, miner, person carrying on the trade or business or person referred to in paragraph (d), as the case may be, produces to the licensing authority a valid tax clearance certificate.

(3) A registrar of companies appointed in terms of the [Companies and Other Business Entities Act \[Chapter 24:31\]](#) shall not register a company under the [Companies and Other Business Entities Act \[Chapter 24:31\]](#) unless the person applying for registration or incorporation produces to the registrar (in addition to, and together with, the other documentation required to be lodged with the registrar by the [Companies and Other Business Entities Act \[Chapter 24:31\]](#) a valid tax clearance certificate relating to the appointment of a public officer of the company or *private business corporation in accordance with [section sixty-one](#).

private business corporations [Chapter 24:11](#) replaced on the 13th February, 2020- Editor

(4) Notwithstanding anything contained in the following Acts, the following persons who are certified, registered or licensed to practise any of the following professions shall not be certified, registered or licensed to practise the profession concerned unless (at the time the certification, registration or licensing of the person concerned is effected or renewed) there is produced to the certifying, registering or licensing authority under the Act concerned a tax clearance certificate valid **no earlier than 30 days** before its production—

[Subsection \(4\)](#) inserted by the Finance Act 2024 gazetted on the 28th October, 2024.

- (a) architects registered or required to be registered under the [Architects Act \[Chapter 27:01\]](#); or
- (b) engineers or technicians registered or required to be registered under the [Engineering Council \[Chapter 27:22\]](#); or
- (c) land surveyors registered or required to be registered under the [Land Surveyors Registration Act \[Chapter 27:06\]](#); or

- (d) legal practitioners registered or required to be registered under the [Legal Practitioners Act \[Chapter 27:07\]](#); or
- (e) auditors, accountants or other professionals registered or required to be registered the [Public Accountants and Auditors Act \[Chapter 27:12\]](#) or the [Chartered Accountants Act \[Chapter 27:02\]](#); or
- (f) health practitioners registered or required to be registered under the [Health Professions Act \[Chapter 27:19\]](#); or
- (g) a veterinary surgeon registered or required to be registered in terms of the [Veterinary Surgeons Act \[Chapter 27:16\]](#); or
- (h) real estate agents registered or required to be registered under the [Estate Agents Act \[Chapter 27:17\]](#); or
- (i) quantity surveyors or required to be registered under of the [Quantity Surveyors Act \[Chapter 27:13\]](#).

(5) Notwithstanding anything contained in the [Road Motor Transportation Act \[Chapter 13:15\]](#) and [Insurance Act \[Chapter 24:07\]](#), the following any persons who are certified, registered or licensed to operate the business of the omnibus or taxicab for the carriage of goods or passengers for hire or reward, in whose name the goods vehicle, omnibus or taxicab is or is required to be registered in terms of the [Road Motor Transportation Act \[Chapter 13:15\]](#) and Insurance Act shall not be certified, registered or licensed by ZINARA nor be eligible for vehicle insurance unless (at the time the certification, registration or licensing of the person concerned is effected or renewed) there is produced to the certifying, registering or licensing authority under the Act concerned a tax clearance certificate valid **no earlier than 30 days** before its production.

[Subsection \(5\)](#) inserted by the Finance Act 2024 gazetted on the 28th October, 2024.

80A1 Payments to non-resident artistes or entertainers

Section inserted by Act 1 of 2014 w.e.f. 4th April, 2014 –
renumbered by the Editor as 80A1 because [section 80A](#) was inserted in 2005
and [section 80B](#) below was inserted by Act 12/2006.
see note below 80B.

(1) In this section—

“contractor” means a contractor of the services of any payee who is a non-resident artiste or entertainer contracted to perform in Zimbabwe;

“payment” means payment by cash, barter, set-off, crediting a director’s loan accounts, intercompany debits and credits or by other settlement of obligations whatsoever and in any form;

“registered taxpayer” means a person who is registered—

- (a) as an employer in terms of the *Thirteenth Schedule*; or
- (b) as a taxpayer in the records of the Zimbabwe Revenue Authority, **otherwise than** as an employer; or

- (c) as a registered operator in terms of the [Value Added Tax Act \[Chapter 23:12\]](#);

“withholding agent” means a person who is employed by the State or by a quasi-Governmental institution or contractor or registered taxpayer and who is responsible for paying a payee any amount due in terms of a contract.

(2) Subject to this section, a withholding agent who is the contractor of the services of any payee who is a non-resident artiste or entertainer contracted to perform in Zimbabwe, shall withhold **15%** of each amount payable to the payee under the contract concerned, and shall pay each amount so withheld to the Commissioner on or before **the 10th day** of the month following that in which payment was made or within such further time as the Commissioner may allow.

(3) The Commissioner shall retain any amount remitted under [subsection \(2\)](#) until the income tax payable by the payee for the year of assessment concerned has been assessed, whereupon—

- (a) the amount shall be allowed as a tax credit against the income tax payable by the payee; or
- (b) where the amount exceeds the income tax payable by the payee, the Commissioner shall forthwith refund the excess to the payee.

(4) No action shall lie against a contractor or withholding agent in respect of the withholding of any amount in terms of this section, nor shall the withholding of the amount constitute a breach of the contract concerned.

(5) A person who concludes a contract on behalf of the contractor shall take all reasonable steps to ensure that the person with whom the contract is concluded is made aware of the provisions of this section:

Provided that a failure to comply with this subsection shall not—

- (a) constitute a ground for cancelling the contract; or
- (b) relieve a paying officer of his or her obligations under this section.

(6) Payment to the Commissioner by a withholding agent of any amount as provided in [subsection \(2\)](#) shall be accompanied by a certificate under the hand of the withholding agent showing the amount withheld.

[subsections \(6\),\(7\),\(8\)](#) and [\(9\)](#) inserted by Finance (No.2) Act 8 of 2014 w.e.f.1st October, 2014.

(7) Subject to [subsection \(9\)](#), a withholding agent who fails to withhold or pay to the Commissioner any amount as provided in [subsection \(2\)](#) shall be personally liable for the payment to the Commissioner, not later than the date on which payment should have been made in terms of [subsection \(2\)](#) of—

- (a) the amount so provided; and
- (b) a further amount equal to such amount.

(8) The amounts for the payment of which a withholding agent is liable in terms of [subsection \(7\)](#)—

- (a) shall be debts due by the principal to the State; and
- (b) may be sued for and recovered by action by the Commissioner in any court of competent jurisdiction.

(9) The Commissioner, if he or she is satisfied in any particular case that the failure to pay to him or her any amount as provided in [subsection \(2\)](#) was not due to any intent to evade the provisions of this section, may waive the payment of the whole or such part as he or she thinks fit of the amount referred to in [subsection \(7\)\(b\)](#).

PART VIIIA

APPLICATION OF INFORMATION TECHNOLOGY TO ACT

Part inserted by the Finance Act 12/2006 w.e.f. the 1st January, 2007.

80B Interpretation in Part VIIIA

This section number was duplicated when inserted by section 9 of the Finance Act 1 of 2014 causing the Editor to renumber the duplicate as [section 80A](#)¹ repositioned in Part VIII above

In this Part—

- “access”**, means gaining entry into, instructing or communicating with the logical, arithmetical or memory function resources of a computer, computer system or computer network;
- “affixing a digital signature”**, in relation to an electronic record or communication, means authenticating the electronic record or communication by means of a digital signature;
- “computer”** means any electronic, magnetic, optical or other high speed data processing device or system which performs logical, arithmetic and memory functions by manipulation of electronic, magnetic or optical impulses and includes all input, output, processing, storage, computer software or communication facilities which are connected or related to the computer in a computer system or a computer network;
- “computer network”** means the interconnection of 1 or more computers through—
- (a) the use of satellite, microwave, terrestrial line or other communication media; and
 - (b) terminals or a complex consisting of 2 or more inter-connected computers whether or not the inter-connection is continuously maintained ;
- “computer system”**, means a device or collection of devices, including input and output devices capable of being used with external files, which contains computer programmes, electronic instructions, and input and output data, and that performs logic, arithmetical, data storage and retrieval, communication control and other functions;
- “digital signature”** means an electronic signature created by computer that is intended by the registered user using it and by the Commissioner accepting

it to have the same effect as a manual signature, and which complies with the requirements for acceptance as a digital signature specified in [section eightyG\(1\)](#);

“electronic data” means any information, knowledge, fact, concept or instruction stored internally in the memory of the computer or represented in any form (including computer printouts, magnetic optical storage media, punched cards or punched tapes) that is being or has been prepared in a formalised manner and is intended to be or is being or has been processed in a computer system or network;

“electronic record or communication” means electronic data that is recorded, received or sent in an electronic form or in microfilm or computer-generated microfiche;

“intermediary”, with respect to any particular electronic communication, means any person who on behalf of another person receives, stores or transmits that communication or provides any service with respect to that communication;

“Internet” has the meaning given to that word by the [Postal and Telecommunications Act \[Chapter 12:05\]](#);

“originator”, means a person who sends, generates, stores or transmits any electronic communication to be sent, generated, stored or transmitted to any other person, but does not include an intermediary;

“registered user” means a person registered in terms of [section eightyE](#);

“user agreement”, means the agreement between the registered user and the Commissioner referred to in [section eightyE](#).

80C Use of electronic data generally as evidence

(1) Notwithstanding anything to the contrary contained in any other law, the admissibility in evidence of any electronic data for any purpose under this Act shall not be denied—

- (a) on the sole ground that it is electronic data; or
- (b) if it is the best evidence that the person adducing it can reasonably be expected to obtain, on the grounds that it is not in original form.

(2) Information in the form of electronic data shall be given due evidential weight.

(3) In assessing the evidential weight of electronic data a court shall have regard to such of the following considerations as may be applicable in the circumstances of the case—

- (a) the reliability of the manner in which the data was generated, stored and communicated; and
- (b) the reliability of the manner in which the integrity of the data was maintained; and
- (c) the manner in which its originator was identified.

80D Establishment of computer systems for tax purposes

The Commissioner may, notwithstanding anything to the contrary in this Act, establish and maintain a computer system for the purpose of applying information technology to any process or procedure under this Act, including—

- (a) the despatch and receipt and processing of any return, record, assessment, declaration, form, notice, statement or other document relating to any amount liable to tax; and
- (b) the electronic processing of any register, book, account, record, return, paper, assessment or other document.

80DD Virtual Tax Management System

For the purposes of creating an electronic platform to enable the electronic recording by taxpayers of transactions that may be liable to tax under this Act (to be known as the Tax Management System), the Minister shall in regulations made under [section ninety](#) prescribe the rules to be followed by taxpayers using the Tax Management System.

Inserted by the Finance Act 1 of 2018 w.e.f. 14th March, 2018.

80E User agreements

(1) The Commissioner may, for the purpose of regulating communication through a computer system established in terms of [section eighty D](#), prescribe the form of a user agreement to be entered between the Zimbabwe Revenue Authority and registered users.

(2) A user agreement shall set out—

- (a) the terms and conditions governing communication through a computer system established in terms of [section eightyD](#), including—
 - (i) the use by registered users of computer equipment and facilities of a class or kind specified in the agreement;
 - (ii) the allocation to a registered user of a digital signature by the Commissioner;
 - (iii) the requirement that registered users ensure the security of the digital signatures allocated to them in the manner specified in the agreement;
- (b) the manner of affixing a digital signature to any electronic communication or record;
- (c) the conditions of reasonable access to the computer system of the registered user by the Commissioner for such verification and audit purposes as may be required by this Act;
- (d) the manner and period of keeping electronic records that are necessary or convenient to be kept in connection with a computer system established in terms of [section eightyD](#).

80F Registration of registered users and suspension or cancellation of registration

(1) No person shall communicate with the Commissioner through a computer system established in terms of [section eightyD](#) unless such person is a registered user.

(2) An application for registration as a registered user shall be made in the prescribed form, and be accompanied by the user agreement completed by the applicant and the prescribed fee, if any, and such other information as the Commissioner may reasonably require the applicant to furnish in support of the application.

(3) If, after considering an application in terms of [subsection \(2\)](#) and making such enquiries as he or she may deem necessary, the Commissioner is satisfied that the applicant—

- (a) is a person who will make regular use of the computer system established in terms of [section eightyD](#);
- (b) will introduce adequate measures to—
 - (i) prevent disclosure of the digital signature allocated to him or her by the Commissioner to any person not authorised to affix such signature;
 - (ii) safeguard the integrity of information communicated through a computer system established in terms of [section eightyD](#) apart from any change which may occur in the normal course of such communication or during storage and display of such information;
- (c) will maintain the standard of reliability of his or her own computer system required in accordance with the requirements of the user agreement;

the Commissioner may approve the application, subject to such reasonable conditions as he or she may impose either generally or in relation to the applicant.

(4) If, at any time after granting an application in terms of [subsection \(2\)](#), the Commissioner is satisfied that a registered user—

- (a) has not complied with the requirements of his or her user agreement with any condition or obligation imposed by the Commissioner in respect of such registration;
- (b) has made a false or misleading statement with respect to any material fact or omits to state any material fact which was required to be stated in the application for registration;
- (c) fails to make regular use of the computer system established in terms of [section eighty D](#);
- (d) has contravened or failed to comply with any provision of this Act;
- (e) has been convicted of an offence under this Act;
- (f) has been convicted of an offence involving dishonesty;
- (g) is sequestered or liquidated;
- (h) no longer carries on the business for which the registration was issued;

the Commissioner may cancel or suspend for a specified period the registration of the registered user.

(5) Before cancelling or suspending the registration of a registered user in terms of [subsection \(4\)](#) the Commissioner shall—

- (a) give notice to the registered user of the proposed cancellation or suspension; and
- (b) provide the reasons for the proposed cancellation or suspension; and
- (c) afford the registered user a reasonable opportunity to respond and make representations as to why the registration should not be cancelled or suspended.

80FF Commissioner may require register taxpayers to become registered users

Inserted by the Finance Act 2 of 2017 gazetted on 23rd March, 2017 backdated to the 1st January, 2017.

(1) The Commissioner may, by notice in writing to any taxpayer **who renders a self-assessment return**, require such taxpayer to become a registered user.

(2) On receiving a notice the taxpayer concerned shall make an application in terms of [section eightyF](#) to become a registered user.

(3) A taxpayer upon whom the Commissioner has served a notice in terms of [subsection \(1\)](#) and who fails without just cause to comply with the notice **within the first 7 days** of the period of 181 days referred to in paragraph (a) below, shall—

- (a) be liable for a civil penalty of **US\$1,000** (or the maximum monetary figure specified from time to time for level *four, whichever is the lesser amount) **for each day** the registered taxpayer remains in default, **not exceeding a period of 181 days**:

Amended by Act 13/2019 w.e.f. 31st December, 2019; civil penalty increased by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020. **Note:** the level *4 criminal penalty was increased to **zw\$10 000** w.e.f. 13th November, 2020 -Editor

Figures above substituted by Finance Act of 2021;
increased by Finance Act 13/2023 w.e.f. 29th December, 2023.

Provided that the Commissioner shall have power to waive the payment or refund the whole or part of any penalty prescribed under this paragraph if he or she is satisfied that the contravention was not wilful, or not due to the want of reasonable care; and

- (b) if the registered taxpayer continues to be in default after the period specified in paragraph (a), be guilty of an offence and liable on conviction to a fine not exceeding level ten or to imprisonment for a period not exceeding 6 months or to both such fine and such imprisonment.

(4) A civil penalty order that becomes payable by the infringer shall constitute a debt due by the infringer to the Zimbabwe Revenue Authority and shall at any time after it becomes due, be recoverable in a court of competent jurisdiction by proceedings in the name of the Authority.

(5) The amount of a civil penalty shall be paid into and form part of the funds of the Zimbabwe Revenue Authority.

80G Digital signatures

Editor’s Note: A Canadian court's recent ruling that a “thumbs-up” emoji constituted a valid electronic signature has confirmed the shift from formal to informal legal shorthand. The ruling shows how digital expressions are being interpreted with serious contractual implications, prompting a reconsideration of how we convey and interpret agreement in a digital context.

(1) Every digital signature intended for use in connection with a computer system established in terms of [section eightyD](#) shall comply with the following requirements, namely, it must—

- (a) be unique to the registered user and under the sole control of the registered user; and
- (b) be capable of verification; and
- (c) be linked or attached to electronically transmitted data in such a manner that, if the integrity of the data transmitted is compromised, the digital signature is invalidated; and
- (d) be in complete conformity with the requirements prescribed by the Commissioner and contained in the user agreement.

(2) The Commissioner shall, on registering a user, allocate to the registered user—

- (a) if the user is a natural person, a digital signature or sufficient digital signatures for the user and each employee of the user nominated in the user agreement; or
- (b) if the user is not a natural person, sufficient digital signatures for each employee of the user nominated in the user agreement.

80H Production and retention of documents

Where any provision of this Act prescribes or requires that documents, records, information or the like should be retained for a specific period, that requirement shall be deemed to have been satisfied by a registered user if such documents, records, information or the like are so retained in electronic form that—

- (a) the information contained therein remains accessible so as to be subsequently usable; and
- (b) the electronic record is retained in the format in which it was originally generated, sent or received or in a format which can be demonstrated to represent accurately the information originally generated, sent or received; and

- (c) the details which will facilitate the identity of the origin, destination, date and time of dispatch or receipt of such electronic record are available in the electronic record.

80I Sending and receipt of electronic communications

(1) An electronic communication through a computer system established in terms of [section eightyD](#) or the record of such communication shall be attributed to the originator—

- (a) if it was sent by the originator; or
- (b) if it was sent by a person who had the authority to act on behalf of the originator in respect of that communication or record; or
- (c) if it was sent by a computer system programmed by or on behalf of the originator to operate automatically.

(2) Where the Commissioner and a registered user have not agreed that an acknowledgment of receipt of electronic communication be given in any particular form or by any particular method, an acknowledgement may be given by—

- (a) any communication by the Commissioner, electronic or otherwise; or
- (b) conduct by the Commissioner or any officer sufficient to indicate to the registered user that the electronic communication has been received.

(3) Where the Commissioner and the registered user have agreed that an electronic communication shall be binding only on the receipt of an acknowledgement of such electronic communication, then, unless such acknowledgement has been so received within such time as agreed upon, such electronic communication shall be deemed not to have been sent.

(4) As between a computer system established in terms of [section eightyD](#) and any other computer system of a registered user, the lodgement of an electronic communication occurs when it enters a computer system outside the control of the originator.

(5) The time of receipt of an electronic communication shall be the time when the electronic communication enters the computer—

- (a) where the electronic communication is by a registered user, at any office of the Zimbabwe Revenue Authority, or of the Commissioner, to whichever it was addressed, and such office shall be the place of receipt; or
- (b) if the electronic communication is sent by the Zimbabwe Revenue Authority or the Commissioner to a registered user, at the place of receipt that is stipulated in the user agreement.

(6) Whenever any registered user is authorised to submit and sign electronically any return, record, assessment, declaration, form, notice, statement or the like, which is required to be submitted and signed in terms of this Act, such signature electronically affixed to such electronic communication and communicated to the Zimbabwe Revenue Authority or the Commissioner, shall, for the purposes of this Act, have effect as if it was affixed thereto in manuscript, and acceptance thereof shall not be denied if it is in

conformity with the user agreement concluded between the Commissioner and the registered user.

(7) The Commissioner may, notwithstanding anything to the contrary contained in this section, permit any registered user to submit electronically any return, record, assessment, declaration, form, notice, statement or the like, which is required to be submitted in terms of this Act, by using the Internet, and subject to such exceptions, adaptations or additional requirements as the Commissioner may stipulate or prescribe, this section shall apply to the submission of the foregoing documents using the Internet.

80J Obligations, indemnities and presumptions with respect to digital signatures

(1) If the security of a digital signature allocated to a registered user has been compromised in any manner the registered user shall inform the Commissioner in writing of that fact without delay.

(2) No liability shall attach to the Commissioner, the Zimbabwe Revenue Authority or any officer or employee thereof for any failure on the part of a registered user to ensure the security of the digital signature allocated to him or her and, in particular, where electronic data authenticated by a digital signature is received by the Commissioner or the Zimbabwe Revenue Authority—

(a) without the authority of the registered user to whom such signature was allocated; and

(b) before notification to the Commissioner or the Zimbabwe Revenue Authority by the registered user that the security of the digital signature allocated to him or her has been compromised;

the Commissioner or the Zimbabwe Revenue Authority shall be entitled to assume that such data has been communicated by, or with the authority of, the registered user of that digital signature.

(3) Where in any proceedings or prosecution under this Act or in any dispute to which the Zimbabwe Revenue Authority is a party, the question arises whether an digital signature affixed to any electronic communication to the Commissioner or the Zimbabwe Revenue Authority was used in such communication with or without the consent and authority of the registered user, it shall be presumed, in the absence of proof to the contrary, that such signature was so used with the consent and authority of the registered user.

80K Alternatives to electronic communication in certain cases

(1) Whenever a computer system established in terms of [section eighty D](#) or any other computer system of a registered user is inoperative, the registered user and the Commissioner shall communicate with each other in writing in the manner prescribed in this Act.

(2) The Commissioner may at any time require from any registered user the submission of any original document required to be produced under any of the provisions of this Act.

80L Unlawful uses of computer systems

(1) A person who, not being the registered user of a digital signature to whom it is allocated, uses such a signature in any electronic communication to the Commissioner or the Zimbabwe Revenue Authority without the authority of such registered user, commits an offence and is liable to a fine not exceeding level twelve or to imprisonment for a period not exceeding ten years or to both such fine and such imprisonment.

(2) A person who—

- (a) makes a false electronic record or falsifies an electronic record; or
- (b) dishonestly or fraudulently—
 - (i) makes, affixes any digital signature to, transmits or executes an electronic record or communication;
 - (ii) causes any other person to make, affix any digital signature to, execute, transmit or execute an electronic record or communication;

commits an offence and is liable to a fine not exceeding level twelve or to imprisonment for a period not exceeding ten years or to both such fine and such imprisonment

PART IX

GENERAL

81 Offences: general

(1) Any person who, without just cause being shown by him—

- (a) fails or neglects to furnish, file or submit any return or document required by the Commissioner under the powers conferred by this Act; or
- (b) refuses or neglects to furnish any information or reply, or to attend and give evidence as and when required by the Commissioner or any officer duly authorized by him, or to answer truly and fully any question put to him, or to produce any books or papers required of him by the Commissioner or any such officer; or
- (c) fails to show in any return made by him any portion of the gross income received by or accrued to or in favour of himself, or fails to disclose to the Commissioner, when making such return, any material facts which should have been disclosed; or
- (d) fails to show in any return prepared or rendered by him on behalf of any other person any portion of the gross income received by or accrued to or in favour of such other person, or fails to disclose to the Commissioner, when preparing or making such return, any facts which, if so disclosed, might result in increased tax; or
- (e) fails, refuses or neglects to show in any return made by him or her pursuant to [section thirty-nine\(2a\)](#) the information required to be furnished in such return or such supplementary information or supporting documentation as the Commissioner may require in connection therewith, or fails to disclose

to the Commissioner, when making such return, any material facts which should have been disclosed;

Para (e) repealed by section 16 of Act 3/2009 which then substituted [Section thirty-sevenB](#) above. para (e) then re-inserted by Finance (No.3) Act 11 of 2014 w.e.f. the 1st January, 2015.

Paras

(f) to (n) repealed by the Criminal Penalties Amendment Act 22 of 2001, from the 20th May, 2002.

shall be guilty of an offence and liable to a fine not exceeding level seven or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment.

Penalty increased by Act 18/2000 from the 12th January, 2001, amended by the Criminal Penalties Amendment Act 22 of 2001, from the 10th September, 2002, and increased by Act 15/2002 from 30th December, 2002.

(2) A person who retains, in accordance with conditions specified by the Commissioner, photographic reproductions in miniature of a document or book referred to in [paragraph \(e\) of subsection \(1\)](#), which is not a ledger, cash-book or journal, shall be deemed to retain that document or book for the purposes of that paragraph.

82 Offences: wilful failure to comply with requirements of Commissioner or to keep proper accounts, and obstruction

(1) Any person who—

- (a) wilfully fails or neglects to furnish, file or submit any return or document required by the Commissioner under the powers conferred by this Act; or
- (b) wilfully refuses or neglects to furnish any information or reply, or to attend and give evidence as and when required by the Commissioner or any officer duly authorized by him, or to answer truly and fully any question put to him, or to produce any books or papers required of him by the Commissioner or any such officer; or
- (c) not being a person whose gross income consists solely of salary, wages or similar compensation for personal service, wilfully fails to keep or cause to be kept in the English language, proper books and accounts of all his transactions or, unless otherwise authorized by a competent court or by the Commissioner, wilfully fails to retain for a **period of 6 years** from the date of the last entry therein all ledgers, cash-books, journals paid cheques, bank statements and deposit slips, stock sheets, invoices and other books of account relating to any trade carried on by him and recording the details from which his returns for the purposes of this Act were prepared;
- (d) obstructs or hinders any officer in the discharge of his duties;

Para (d) repealed by the Criminal Penalties Amendment Act 22/2001 from the 20th May, 2002, and reinstated by Act 15/2002 from 30th December, 2002

shall be guilty of an offence and liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Penalty increased by Act 18/2000 from the 12th January, 2001, and amended by the Criminal Penalties Amendment Act 22 of 2001, from the 10th September, 2002.

(2) Where the facts proved in any charge under [subsection \(1\)](#) do not justify a conviction under [subsection \(1\)](#), but prove an offence under [section eighty-one](#) the person charged may be convicted of the corresponding offence under that section and sentenced accordingly.

(3) A person who retains, in accordance with conditions specified by the Commissioner, photographic reproductions in miniature of a document or book referred to in [paragraph \(c\) of subsection \(1\)](#), which is not a ledger, cash-book or journal, shall be deemed to retain that document or book for the purposes of that paragraph.

(4) Any person who, without just cause, obstructs or hinders an officer in the discharge of his duties under this Act shall be guilty of an offence and liable to a fine not exceeding level five or to imprisonment for a period not exceeding six months or to both such fine and such imprisonment.

Subpara (4) inserted by the Criminal Penalties Amendment Act 22 of 2001, from the 10th September, 2002.

83 Offences: increased penalty on subsequent conviction

If, upon conviction of any person for an offence under [section eighty-one](#) or [eighty-two](#) for—

- (a) failing or neglecting to furnish, file or submit any return or document required by the Commissioner; or
- (b) refusing or neglecting to furnish any information or reply, or to produce any books or papers required of him by the Commissioner or any other officer;

PL Mines (Pvt) Ltd v ZIMRA [15-HH-466](#)

within any reasonable period fixed by the Commissioner or any other officer and of which notice has been given to him by the Commissioner, it is proved that that person has been previously convicted of a like failure, neglect or refusal in relation to the same return, document, information, reply, books or papers, then such person shall, in addition to any punishment inflicted under such section, be liable also to a fine not exceeding level one for each day that he is in default, or to imprisonment for a period not exceeding twelve months.

Penalty increased by Finance Act 18/2000 from the 12th January, 2001, amended by the Criminal Penalties Amendment Act 22/2001, from the 10th September, 2002 and restated by Act 15/2002 from 30th December, 2002.

84 Offences: wilful failure to submit correct returns, information, etc.

(1) Any person who wilfully—

- (a) fails to show in any return made by him any portion of the gross income received by or accrued to him or in favour of himself, or fails to disclose to the Commissioner, when making such return, any material facts which should have been disclosed; or
- (b) fails to show in any return prepared or rendered by him on behalf of any other person any portion of the gross income received by or accrued to or in favour of such other person, or fails to disclose to the Commissioner, when preparing or making such return, any facts which, if so disclosed, might result in increased tax;

Paras (c) to (j) repealed by the Criminal Penalties Amendment Act 22 of 2001, from the 20th May, 2002.

shall be guilty of an offence and liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Penalty increased by Act 18/2000 from the 12th January, 2001, amended by the Criminal Penalties Amendment Act 22/2001, from 10th September, 2002, and restated by Act 15/2002 from 30th December, 2002.

(2) Where the facts proved in any charge under [subsection \(1\)](#) do not justify a conviction under [subsection \(1\)](#), but prove an offence under [section eighty-one](#), the person charged may be convicted of the corresponding offence under that section and sentenced accordingly.

85 Offences: false statements, etc.

(1) If any person makes any false statement or entry in any return rendered in respect of any year of assessment, or signs any statement or return so rendered, without reasonable grounds for believing the statement or entry to be true, he shall be guilty of an offence and liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Amended by the Criminal Penalties Amendment Act 22 of 2001 from the 10th September, 2002.

(2) If a person makes a false entry in any ledger, cash-book, journal or other book of account without reasonable grounds for believing it to be true, and the false entry, if believed, would be likely to have the effect of reducing the persons' liability for tax, he shall be guilty of an offence and liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

subpara (2) inserted by the Criminal Penalties Amendment Act 22 of 2001, from the 10th September, 2002.

86 Offences: wilful making of false statements, & keeping of false accounts, & fraud

(1) Any person who, with intent to evade or to assist any other person to evade assessment or taxation—

- (a) makes or causes or allows to be made any wilfully false statement or entry in any return rendered in terms of this Act, or signs any statement or return so rendered, without reasonable grounds for believing the same to be true; or
- (b) gives any wilfully false answer, whether verbally or in writing, to any request for information under this Act made by the Commissioner or any person duly authorized by him; or
- (c) prepares or maintains or authorizes the preparation or maintenance of any false books of account or other records, or falsifies or authorizes the falsification of any books of account or records; or
- (d) makes use of any fraud, art or contrivance whatsoever, or authorizes the use of any such fraud, art or contrivance;

shall be guilty of an offence and liable to a fine not exceeding level eight or to imprisonment for a period not exceeding two years or to both such fine and such imprisonment.

Penalty increased by Act 18/2000 from the 12th January, 2001, amended by the Criminal Penalties Amendment Act 22 of 2001, from the 10th September, 2002, and restated by Act 15/2002 from 30th December, 2002.

(2) Whenever in any proceedings under [subsection \(1\)](#) it is proved that any wilful false statement or entry has been made in any return rendered under this Act by or on behalf of any taxpayer or in any books of account or other records of any taxpayer, that taxpayer shall be presumed, until the contrary is proved, to have made, or to have caused or allowed to be made, that false statement or entry with intent to evade assessment or taxation, and any other person who made any such false statement or entry shall be presumed, until the contrary is proved, to have made such false statement or entry with intent to assist the taxpayer to evade assessment or taxation.

(3) In any proceedings in which a person is charged with an offence under [paragraph \(c\) of subsection \(1\)](#), where it is proved that any statement, entry or record in any book of account or other record kept by the accused or under his direction or kept by any employee or agent of the accused on his behalf is in conflict with any statement, entry or record in any other book of account or record so kept as aforesaid, it shall not be necessary to allege in the indictment, summons or charge, or to prove, which of the conflicting statements, entries or records is false.

87 Evidence

(1) At the trial of any person charged with any contravention of this Act, any information, statement, entry or record contained in any return furnished by or on behalf of the accused in terms of this Act, and any statement, entry or record contained in any book, account or document kept by the accused or under his direction or kept by any employee or agent of the accused on his behalf and any statement made by the accused to the Commissioner or other officer which is not a confession of the offence with which he is charged, or of an offence which is substantially similar to the offence with which he is charged, shall, notwithstanding that it was required of him in terms of this Act and notwithstanding [section](#)

[five](#) and without order of any competent court of law in terms of that section, be admissible in evidence upon its mere production by any person:

Provided that, except in the case of information, statements, entries or records contained in any return furnished by or on behalf of an accused person, no such statement, entry or record shall be tendered in evidence unless the accused has been given **not less than 10 days' written** notice of the intention to produce such statement, entry or record and an opportunity to inspect the same and make a copy thereof.

(2) Notwithstanding any law, in any proceedings in which a person is charged with an offence under [paragraph \(c\)](#) or [\(d\) of subsection \(1\) of section eighty-one](#), [paragraph \(a\)](#) or [\(b\) of subsection \(1\) of section eighty-four](#) or [paragraph \(a\) of subsection \(1\) of section eighty-six](#) where any statement, entry or record contained in any book, account or document kept by the accused or under his direction or kept by any employee or agent of the accused on his behalf is in conflict with any information, statement, entry or record contained in any return which is the subject of the charge, such first-mentioned statement, entry or record shall be presumed to be true unless the contrary is proved; and this subsection shall apply whether or not any other statement, entry or record contained in such book, account or document or in any other book, account or document so kept as aforesaid is consistent with the information, statement, entry or record contained in such return.

For the purposes of this subsection—

“law” includes the common law of Zimbabwe.

88 Proof of certain facts by affidavit or orally

(1) In any criminal proceedings under this Act concerning the failure of a person to furnish, file or submit any return or other document required by or under this Act, a document purporting to be an affidavit made by a person who alleges therein that—

- (a) he is an officer in the department of the Zimbabwe Revenue Authority responsible for assessing, collecting and enforcing the payment of taxes under this Act;

Subsection 1(a) amended by [s 36](#) and Third Schedule (Part V 3a) of the [Revenue Authority Act \[Chapter 23:11\]](#)

and

- (b) if the said return or other document had been furnished, filed or submitted, it would in the ordinary course of events have come to the deponent's knowledge, either at the time it was furnished, filed or submitted or subsequently, and a record thereof available to him would have been kept; and
- (c) no such return or other document has, to the deponent's knowledge, been furnished, filed or submitted and that he has satisfied himself that there is no record thereof;

shall, subject to this section, on its mere production in those proceedings by any person be *prima facie* proof that such return or document has not been furnished, filed or submitted.

(2) In any criminal proceedings under this Act a document purporting to be an affidavit made by a person who alleges therein that—

- (a) he is an officer in the department of the Zimbabwe Revenue Authority responsible for assessing, collecting and enforcing the payment of taxes under this Act; and
- (b) when any return, form, notice, assessment, letter or other document such as is referred to therein has been sent by the Commissioner or an officer in the department referred to in paragraph (a) a record thereof available to the deponent would have been kept; and
- (c) the deponent has satisfied himself that there is a record thereof;

shall, subject to this section, on its mere production in those proceedings by any person, be *prima facie* proof that such return, form, notice, assessment, letter or other document has been sent by the Commissioner or officer concerned.

(3) No such affidavit as is mentioned in [subsection \(1\)](#) or [\(2\)](#) shall be tendered in evidence unless the accused has been given **not less than 3 days' notice in writing** of the intention to produce such affidavit or consents to its production.

(4) The court in which any affidavit in terms of [subsection \(1\)](#) or [\(2\)](#) is produced in evidence may in its discretion, of its own motion or at the request of the prosecutor or the accused, cause the person who made it to be summoned to give oral evidence in the proceedings in question.

(5) An officer in the department of the Zimbabwe Revenue Authority responsible for assessing, collecting and enforcing the payment of taxes under this Act may give evidence referred to in [subsection \(1\)](#) or [\(2\)](#) orally instead of by affidavit, and any such oral evidence shall have the same effect as is provided in [subsection \(1\)](#) or [\(2\)](#), as the case may be.

(6) Nothing in this section contained shall affect any other rule of law under which any certificate or other document is admissible in evidence and the provisions of this section shall be deemed to be additional to, and not in substitution for, any such rule of law.

89 Forms and authentication and service of documents

(1) All forms of returns and other forms required for the administration of this Act shall be in such form as may be prescribed by the Commissioner from time to time.

(2) Notices given by the Commissioner under this Act may be signed by any officer authorized by him on his behalf, and any notice purporting to be signed by order of the Commissioner shall be as valid and effectual as if signed by himself.

(3) Every form, notice, demand or other document issued or given by or on behalf of the Commissioner or any other officer under this Act shall be sufficiently authenticated if the name of the Commissioner or officer by whom the same is issued or given is written thereon.

(4) Any notice required or authorized under this Act to be served upon any person shall be sufficiently and effectually served—

- (a) if personally served upon him; or
- (b) if left with some adult person apparently resident at, occupying or employed at his usual or last known abode, office or place of business in Zimbabwe; or
- (c) if sent by post addressed to such usual or last known place of abode, office or place of business, or to any post office box rented in the name of such person or the employer of such person;

and, in the case of a company, shall be sufficiently and effectually served if personally served on the public officer of the company, or sent by post to him at the company's address for service under this Act or, if the company has lodged no address for service as required by this Act, then if the notice is left at or sent by post to any office of the company in Zimbabwe or any premises therein where it carries on business.

(5) For the purposes of [subsection \(4\)](#), the term “**post**” means registered or unregistered post and, unless the contrary is proved, the service shall be deemed to have been effected at the time at which the notice would be delivered in the ordinary course of post.

90 Regulations

(1) The Minister may make regulations prescribing anything which under this Act is to be prescribed by regulations or which in his or her opinion is necessary or convenient to be prescribed by regulations for carrying out or giving effect to this Act.

(2) Without derogation from the generality of [subsection \(1\)](#) the Minister may make regulations—

- (a) prescribing the duties of all persons engaged or employed in the administration of this Act;
- (b) defining the limits of areas within which such persons are to act;
- (c) prescribing the nature of the accounts to be rendered by any taxpayer in support of any returns rendered under this Act and the manner in which such accounts shall be authenticated;
- (d) prescribing the fee payable in respect of an application for an advance tax ruling in terms of [section thirty-sevenB](#), or for registration as a registered user of a computer system established in terms of [section eightyD](#), or for any other service in respect of which a fee may be prescribed in terms of this Act.

Inserted by Act 12/2006 from the 1st January, 2007.

(3) The regulations may prescribe penalties for any contravention thereof or failure to comply therewith, not exceeding a fine or penalty of level seven.

Amended by Act 2 of 2005 from the 12th September, 2005

91 Relief from double taxation

(1) The President may enter into agreements with the government of any other country or territory with a view to the prevention, mitigation or discontinuance of the levying, under this Act and the laws of such other country or territory, of taxes in respect of the same income, or to the rendering of reciprocal assistance in the administration of, and in the collection of taxes under, this Act and taxes on income levied under the laws of such other country or territory.

cannot apply the provisions of the DTAs before invoking the relevant charging section in the Income Tax Act *GFZ Ltd v ZIMRA* [19-HH-843](#)

(2) As soon as may be after the conclusion of any such agreement the terms thereof shall be notified by the President by proclamation in the *Gazette*, whereupon until such proclamation is revoked by the President the agreement shall have effect *as if enacted in this Act but only if, and for so long as, the agreement has the effect of law in such country or territory.

For the list of Countries with which **Double Taxation Agreements** have been proclaimed , see under the REGULATIONS of [Chapter 23:06](#) -Editor
Switzerland 'T M Fee' v COT [91-ITC-1535](#)
**BAT v Commissioner of Taxes* [94-HH-001](#)

(3) The President may at any time revoke any such proclamation by a further proclamation in the *Gazette*, and the agreement shall cease to have effect upon the date fixed in such latter proclamation, but the revocation of any proclamation shall not affect the validity of anything previously done thereunder.

(4) The duty to preserve secrecy imposed by [section five](#) shall not prevent the disclosure to any authorized officer of the country or territory mentioned in any proclamation issued in terms of [subsection \(4\)](#) of—

- (a) facts, knowledge of which is necessary to enable it to be determined whether immunity, exemption or relief ought to be given or which it is necessary to disclose in order to render or receive assistance in terms of the agreement; or
- (b) information which is necessary for the prevention of fraud, or for the administration of statutory provisions against legal avoidance in relation to taxes which are the subject of agreement.

(5) Notwithstanding proviso (ii) to [subsection \(1\) of section forty-seven](#) which deals with the raising of additional assessments or proviso (iii) to [subsection \(1\) of section forty-eight](#) which deals with reductions and refunds, the Commissioner shall raise additional assessments or authorize reductions and refunds after the expiry of the ***period of 3 years** referred to in those provisos if such additional assessments or reductions and refunds result from the carrying out of the provisions of any agreement entered into with the government of any other country or territory in terms of this section.

Editor's note— The provisos now refer to a ***period of 6 years** since the Amendments made by sections 10 and 11 of Act 17 of 1997. It is submitted that the drafter's failure to make a

consequential amendment to this provision does not affect the Commissioner's powers under this section.

(6) Any agreement referred to in [subsection \(1\)](#) may be made with retrospective effect if the President considers it expedient so to do.

(7) Any agreement entered into in terms of the similar provisions of a previous law prior to the 1st April, 1967, and valid and subsisting at that date shall be deemed to have been entered into, approved and proclaimed in terms of this Act.

91A Collection of taxes due to another country under arrangements made pursuant to [section 91](#) agreement

Inserted by Act 6 of 2012 w.e.f. the 28th December, 2012

(1) If the Commissioner has, in accordance with any arrangements made with the government of any other country in an agreement with Zimbabwe in terms of [section ninety-one](#), received a request, in such form as the Commissioner may prescribe, for the collection from any person of an amount alleged to be due by him or her under the tax laws of such other country, the Commissioner may, by notice in writing, call upon such person to state, within a period specified in the notice, whether or not he or she admits liability for such amount or for any lesser amount.

(2) If such person—

- (a) admits liability; or
- (b) fails to respond to the notice; or
- (c) denies liability but the Commissioner, after consultation with the competent authority of such other country, is satisfied that—
 - (i) the liability for such amount is not disputed in terms of the laws of such other country; or
 - (ii) although the liability for such amount is disputed in terms of the laws of such other country—
 - A. such dispute has been entered into solely to delay or frustrate collection of the amount alleged to be due; or
 - B. there is a risk of dissipation or concealment of assets by such person;

the Commissioner may, by notice in writing, require such person to pay the amount for which he or she has admitted liability or the amount specified, as the case may be, on a date specified, for transmission to the competent authority in such other country.

(3) If such person fails to comply with the notice under subsection (2) the amount in question may be recovered, for transmission to such competent authority, as if it were a tax payable by such person under this Act.

(4) No steps taken in assistance in collection by any other country under any arrangements referred to in subsection (1), for the collection of an amount alleged to be due by any person under the tax laws of Zimbabwe, and no judgment given against any such person in pursuance of such arrangements in such other country for any such amount, shall affect his or her right to have his or her liability for any such amount determined in Zimbabwe in accordance with **Part VII** of this Act or any other relevant law.

(5) If a person to whom this section is applied lodges an objection with the Commissioner in accordance with Part VII of this Act, [section 25 \(“Foreign law”\) of the Civil Evidence Act \[Chapter 8:01\]](#) shall apply to the consideration by the Commissioner of any issue as to the tax or other laws of any foreign country or territory concerned as if the Commissioner were a court.

(6) For the avoidance of doubt, it is declared that [section 25 \(“Foreign law”\) of the Civil Evidence Act \[Chapter 8:01\]](#) applies to the consideration by the Special Court or any other court of any issue as to the tax or other laws of any foreign country or territory that may arise from the application of this section.

92 Reduction of tax payable as a result of double taxation agreements

(1) This section shall apply where, under any agreement entered into with any other country or territory in terms of [section ninety-one](#), the tax (hereinafter referred to as ‘foreign tax’) payable to that other country or territory in respect of any income (hereinafter referred to as foreign income) is to be allowed as a credit against tax chargeable in terms of this Act in respect of such foreign income.

(2) Subject to [subsection \(3\)](#), the amount of the tax chargeable under this Act in respect of such foreign income shall be reduced by the amount to be allowed as a credit in terms of any agreement.

(3) Any reduction granted in terms of [subsection \(2\)](#) shall be subject to the provisions set out in this subsection—

(a) a reduction in tax shall not exceed an amount arrived at by applying the following formula—

$$\frac{(A - B) \times C}{C + D}$$

in which—

A represents the tax which would have been payable in terms of this Act had no reduction in respect of any foreign income been granted;

B represents the tax which would have been payable in terms of this Act had the foreign income from all sources in respect of which a reduction is to be allowed not been included in the taxable income;

C represents the amount of the foreign income in respect of which a reduction is to be allowed which is included in the taxable income;

D represents the amount of any other foreign income in respect of which a reduction is to be allowed;

- (b) a reduction in tax in respect of any foreign income as is income referred to in provisos (i) and (ii) to [subsection \(2\) of section twelve](#) shall not exceed the amount arrived at by applying the following formula—

$$\frac{E \times F}{F + G}$$

in which—

E represents the tax which would have been payable in terms of this Act in respect of the total of such income had no reduction in respect of such income been granted;

F represents the amount of such foreign income in respect of which a reduction is to be allowed which is included in the taxable income;

G represents the amount of any other such foreign income in respect of which a reduction is to be allowed;

- (c) the total reduction to be allowed to any person for any year of assessment shall not exceed the total tax chargeable in terms of this Act in respect of that year of assessment;
- (d) where the amount of any reduction given in terms of any such agreement is rendered excessive or insufficient by reason of any subsequent adjustment of the amount of any foreign tax applicable to such foreign income or to any tax chargeable in terms of this Act in respect of such foreign income, nothing in this Act limiting the time for the raising of additional assessments or the reduction of an assessment or of the granting of refunds shall prevent a subsequent adjustment of the amount of such reduction, and any tax underpaid as a result of such adjustment shall be recoverable and any tax overpaid shall be refundable.

(4) In [paragraph \(a\) of subsection \(3\)](#), references to tax, tax which would have been payable and foreign income shall be construed as relating to such amounts other than foreign income to which paragraph (b) relates and any tax which would have been payable in respect thereof.

93 Relief from double taxation in cases where no double taxation agreements have been made

If any person—

- (a) in Zimbabwe; or
- (b) outside Zimbabwe who is deemed to have derived income from a source within Zimbabwe in terms of [paragraph \(d\) of subsection \(1\)](#) or [subsection \(4\) of section twelve](#);

who has paid or is liable to pay tax for any year of assessment on income which is derived from a country or territory which has not entered into an agreement with Zimbabwe in terms of [section ninety-one](#) proves to the satisfaction of the Commissioner that he has paid tax on the same income in the country or territory from which such income was derived and requests relief in respect of that tax, then the tax chargeable under this Act in respect of such income shall be reduced by the amount of foreign tax paid or payable on such income as if [subsection \(3\) of section ninety-two](#) was applicable thereto.

For the purposes of this section, tax in respect of such income, which is deducted from such income in such country or territory, shall be deemed to be tax paid by such person.

94 ...

Repealed by Act 5/2009 w.e.f. the 30th September, 2009.

95 Credit where non-residents' tax on fees has been withheld

(1) If any person who is not ordinarily resident in Zimbabwe and to whom fees as defined in the *Seventeenth Schedule* have accrued during the year of assessment proves to the satisfaction of the Commissioner that non-residents' tax on fees has in terms of that *Schedule* been withheld and paid from such fees, such non-residents' tax on fees shall, subject to [subsection \(2\)](#), be allowed as a credit against income tax chargeable in terms of this Act in respect of those fees and the income tax so chargeable shall be reduced accordingly.

"fees" includes only money sourced from inside Zimbabwe, not the commissions paid thereon.

Sunfresh Enterprises (Pvt) Ltd v Zimra [04-HB-078](#)

Standard Chartered Bank Zim v ZIMRA [18-SC-023](#)

(2) Any reduction granted in terms of [subsection \(1\)](#) shall be subject to the provisions set out in this subsection—

- (a) a reduction in income tax shall not exceed an amount arrived at by applying the following formula—

$$A - B$$

in which—

A represents the income tax which would have been payable in terms of this Act had no reduction been granted in respect of fees from which non-residents' tax on fees has been withheld and paid;

B represents the income tax which would have been payable had the fees from which non-residents' tax on fees has been withheld not been included in taxable income;

- (b) the total deduction to be allowed to any person for any year of assessment shall not exceed the total income tax chargeable in terms of this Act in respect of that year of assessment.

96 Credit where non-residents' tax on royalties has been withheld

(1) If any person who is not ordinarily resident in Zimbabwe and to whom royalties as defined in the *Nineteenth Schedule* have accrued during the year of assessment proves to the satisfaction of the Commissioner that non-residents' tax on royalties has in terms of that *Schedule* been withheld and paid from such royalties, such non-residents' tax on royalties shall, subject to [subsection \(2\)](#), be allowed as a credit against income tax chargeable in terms of this Act in respect of those royalties and the income tax so chargeable shall be reduced accordingly.

(2) Any reduction granted in terms of [subsection \(1\)](#) shall be subject to the provisions set out in this subsection—

- (a) a reduction in income tax shall not exceed an amount arrived at by applying the following formula—

$$A - B$$

in which—

A represents the income tax that would have been payable in terms of this Act had no reduction been granted in respect of royalties from which non-residents' tax on royalties has been withheld and paid;

B represents the income tax that would have been payable had the royalties from which non-residents' tax on royalties has been withheld not been included in taxable income;

- (b) the total deduction to be allowed to any person for any year of assessment shall not exceed the total income tax chargeable in terms of this Act in respect of that year of assessment.

97 Credit where presumptive tax has been withheld

If any person proves to the satisfaction of the Commissioner that during a year of assessment he has paid any amount by way of presumptive tax in terms of the *Twenty-Sixth Schedule*, that amount shall be allowed as a credit against income tax chargeable in terms of this Act in respect of that person's taxable income from trade or investment, as defined in section 14(1) of the charging Act, in respect of that year of assessment

substituted by Act 17 of 1997 from 1st January 1998 and amended by Act 2 of 2005 from the 1st September, 2005

97A Credit where tax on commissions paid by insurers and estate agents to freelance agents has been withheld

If any freelance agent as defined in the *Thirty-Second Schedule* proves to the satisfaction of the Commissioner-General that tax has been withheld from his or her commission in terms

of that *Schedule* during the year of assessment and paid in accordance with that *Schedule*, such tax shall be allowed as a credit against income tax chargeable in terms of this Act in respect of that commission, and the income tax so chargeable shall be reduced accordingly and any excess refunded.

Inserted by Act 29 of 2004 from the 1st January, 2005

97B Calculation and fixing of interest payable under this Act

(1) Where—

- (a) any interest is payable under [section forty-eight](#), [seventy-one](#), [seventy-three](#) or paragraph 3 of the *Thirteenth Schedule*; and
- (b) the rate at which such interest is payable has with effect from any date been altered; and

See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#) gazetted on the 19th December, 2022 backdated to the 1st DECEMBER, 2022

- (c) such interest is payable in respect of any period or any number of months or any part of a month which commenced before the said date;

the interest to be determined in respect of that portion of such period which ended immediately before the said date or in respect of any such months or part of a month which commenced before the said date shall be calculated as if the said rate had not been so altered.

Inserted by Act 18 of 2004 from the 5th November, 2004.

(2) The Minister may, by *statutory instrument*, alter any rate of interest specified in this Act, and in doing so may substitute a specific rate by a variable rate applicable to the borrowing of funds in any international money market, such as the LIBOR (London Interbank Offered Rate).

Inserted by Act 5/2009 with effect from the 30th September, 2009.
See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#) gazetted on the 19th December, 2022 backdated to the 1st DECEMBER, 2022

(3) Where the Minister substitutes any rate of interest specified in this Act by a variable rate referred to in [subsection \(2\)](#), the Commissioner-General may, in terms of the Fourth Schedule to the [Revenue Authority Act \[Chapter 23:11\]](#), issue binding general rulings on the tax consequences of any variation of such rate.

Inserted by Act 5/2009 with effect from the 30th September, 2009.

97C ...

Inserted by Act 12/2006 from the 1st January, 2007;
repealed by the Finance (No.2) Act 10/2020 w.e.f. the year of assessment beginning on the 1st January, 2020.

98 Tax avoidance generally

Where any transaction, operation or scheme (including a transaction, operation or scheme involving the alienation of property) has been entered into or carried out, which has the effect of avoiding or postponing liability for any tax or of reducing the amount of such liability, and which in the opinion of the Commissioner, having regard to the circumstances under which the transaction, operation or scheme was entered into or carried out—

"Farmer" v COT [86-ITC-1424](#)

- (a) was entered into or carried out by means or in a manner which would not normally be employed in the entering into or carrying out of a transaction, operation or scheme of the nature of the transaction, operation or scheme in question; or
- (b) has created rights or obligations which would not normally be created between persons dealing at arm's length under a transaction, operation or scheme of the nature of the transaction, operation or scheme in question;

and the Commissioner is of *the opinion that the avoidance or postponement of such liability or the reduction of the amount of such liability was the sole purpose or one of the main purposes of the transaction, operation or scheme, the Commissioner shall determine the liability for any tax and the amount thereof as if the transaction, operation or scheme had not been entered into or carried out, or in such manner as in the circumstances of the case he considers appropriate for the prevention or diminution of such avoidance, postponement or reduction.

Husband & wife directors & shareholders, who tendered no services to their company, received no salary so cannot be said to be attempting to escape from an anticipated liability on their salaries.

Zacks. E v COT [93-HB-104](#)

D v COT 99-ICT-1669

-failing to bring to account notional interest on *Nostro* Accounts to gross income *G Bank Ltd v ZIMRA* [15-HH-207](#)

-whether Zimra can tax non-existent income through the deeming provisions *CRS (Pvt) Ltd v ZIMRA* [17-HH-728](#)

SDC Ltd v Zimra [18-HH-648](#)

-once Commissioner has formed the above *opinion, appellant must prove under the 11th Schedule the innocence of such purpose failing which 100% penalty justified *SDC Ltd (2) v Zimra* [21-HH-338](#)

Delta Beverages (Pvt) Ltd v ZIMRA [22-SC-003](#)

98A Income splitting

[Sections 98A](#) and [98B](#) inserted by Act 1 of 2014 with effect from 1 January 2014

Transfer pricing *C F (Pvt) Ltd v ZIMRA* [18-HH-099](#)

(1) Where an individual attempts to split income with an associate, the Commissioner may adjust the taxable income of the taxpayer and the associate to prevent any reduction in tax payable as a result of the splitting.

SDC Ltd v Commissioner General Zimra [18-HH-648](#)

(2) A taxpayer shall be treated as having attempted to split income where—

- (a) the taxpayer transfers income, directly or indirectly, to an associate; or

- (b) the taxpayer transfers property, directly or indirectly, to an associate with the result that the associate receives or enjoys the income from that property;
- and the sole or main reason for the transfer is to lower the tax payable upon the incomes of the taxpayer and the associate.

(3) In determining whether a taxpayer is seeking to split income, the Commissioner shall consider the value, if any, given by the associate for the transfer of the income or property concerned.

98B Transactions between associates

substituted by the Finance (No.2) Act 9 of 2015 w.e.f. 1st January, 2016.

(1) For the purposes of this section, where a person engages directly or indirectly in any transaction, operation or scheme (hereinafter referred to as “**a controlled transaction**”), with an associated person, the amount of taxable income derived by a person that engages in that transaction shall be consistent with the arm's length principle, where the conditions of the controlled transaction do not differ from an uncontrolled transaction, that is to say, from the conditions that would have applied between independent persons, in comparable transactions carried out under comparable circumstances.

(2) Any amount of income that would have accrued to either of the associated persons in a controlled transaction and been taxable in Zimbabwe, shall, in the absence of the arm's length principle in that transaction which resulted in the avoidance, reduction or postponement of the liability to tax of either or both of them for any year of assessment, be included in the taxable income of either or both of them and be liable to be taxed accordingly.

(2a) In addition, where the Commissioner amends an assessment by virtue of [subsection \(2\)](#), the taxpayer or taxpayers concerned shall be liable—

subsection inserted by Finance Act 1/2019 gazetted 20th February 2019 w.e.f. 1st January, 2019.

(a) if there is evidence that the avoidance, reduction or postponement of the liability to tax was actuated by the use of fraud or evasion, to a penalty of **100%** of the shortfall amount;

or

(b) in the absence of such evidence as is mentioned in paragraph (a)—

(i) where **contemporaneous transfer pricing** documentation does **not exist** in relation to the transaction giving rise to the amended assessment, or does not comply with the guidelines prescribed in the *Thirty-Fifth Schedule*, to a penalty of **30%** of the shortfall amount; or

(ii) where contemporaneous transfer pricing documentation **exists** in relation to the transaction giving rise to the amended assessment, and complies with the guidelines prescribed in the *Thirty-Fifth Schedule*, to a penalty of **10%** of the shortfall amount.

(3) The determination of whether the conditions of a controlled transaction between associated persons are consistent with the arm's length principle, and of the quantum of any tax payable under [subsection \(2\)](#), are prescribed in the *Thirty-Fifth Schedule*.

(4) [Subsection \(1\)](#) also applies where a person (whether or not an associated person) who is resident in Zimbabwe engages in any transaction with a person resident outside Zimbabwe in a jurisdiction considered by the Commissioner-General to provide a taxable benefit in relation to that transaction.

(5) Every person who engages in a transaction to which [subsection \(1\)](#) or [\(4\)](#) applies shall keep the documentation prescribed in the *Thirty-Fifth Schedule* to enable the Commissioner-General to ascertain whether a transaction was conducted in accordance with the arm's length principle.

(6) Every person who engages or will in a transaction to which [subsection \(1\)](#) or [\(4\)](#) applies shall submit a return to the Commissioner in the prescribed form requiring disclosure of the details of the transaction or contemplated transaction.

[subsections \(6\)](#) and [\(7\)](#) inserted by Finance Act 1/2019 gazetted 20th February 2019 w.e.f. 1st January, 2019.

(7) The Commissioner, in the exercise of his or her powers under [section thirty-seven\(10\)](#) requires any person to make a return in the prescribed form referred to in [subsection \(6\)](#).

98C Reporting of unprofessional conduct*

section inserted by the Finance Act 2 of 2017 gazetted on 23rd March, 2017 backdated to the 1st January, 2017.

(1) For the purposes of this section “**controlling body**” means any professional association, body or board which has been established, whether voluntarily or by or under any law, for the purpose of exercising control over the carrying on of any profession, calling or occupation and which has power to take disciplinary action against any person who in the carrying on of such profession, calling or occupation fails to comply with or contravenes any rules or code of conduct laid down by such association, body or board.

(2) Where any person who carries on any profession, calling or occupation in respect of which a controlling body has been established has, in relation to the affairs of any other person, hereinafter referred to as ‘a client’, done or omitted to do anything which in the opinion of the Commissioner—

- (a) was intended to enable or assist the client to evade or unduly postpone the performance of any duty or obligation imposed on such client by or under this Act or to obtain any refund of tax under this Act to which such client is not entitled, or by reason of negligence on the part of such person resulted in the avoidance or undue postponement of the performance of any such duty or obligation or the obtaining of any such refund; and
- (b) constitutes a contravention of any rule or code of conduct laid down by the controlling body which may result in disciplinary action being taken against such person by the body;

the Commissioner may lodge a complaint with the said controlling body.

(3) The Commissioner may in lodging any complaint under [subsection \(2\)](#) disclose such information relating to the client's affairs as in the opinion of the Commissioner it is necessary to lay before the controlling body to which the complaint is made.

(4) Before lodging any such complaint or disclosing any information the Commissioner shall deliver or send to the client and the person against whom the complaint is to be made a written notification of his or her intended action setting forth particulars of the said information.

(5) The client or the said person may **within 30 days** after the date of such written notification lodge in writing with the Commissioner any objection he or she may have to the lodging of the said complaint.

(6) If on the expiry of the said period of 30 days no objection has been lodged as contemplated in [subsection \(5\)](#), or if an objection has been lodged and the Commissioner is not satisfied that the objection should be sustained, the Commissioner may thereupon lodge the complaint as contemplated in [subsection \(2\)](#).

(7) The complaint shall be considered by the controlling body to which it is made and may be dealt with by it in such manner as the controlling body in terms of its rules sees fit:

Provided that any hearing of the matter shall not be public and may only be attended by persons whose attendance, in the opinion of the controlling body, is necessary for the proper consideration of the complaint.

(8) The controlling body with which a complaint is lodged and its members shall at all times preserve and aid in preserving secrecy in regard to such information as to the affairs of the client as may be conveyed to them by the Commissioner or as may otherwise come to their notice in the investigation of the Commissioner's complaint and shall not communicate such information to any person whatsoever other than the client concerned or the person against whom the complaint is lodged, unless the disclosure of such information is ordered by a competent court of law.

99 Transitional provisions relating to separate taxation of married women

Where in terms of this Act or any previous law, gross income which was received by or accrued to or in favour of a married woman in any year of assessment prior to the year of assessment beginning on the **1st April, 1988**, has been deemed to be income received by or accrued to or in favour of her husband, then, for the purposes of charging, levying and collecting tax in respect of the year of assessment beginning on the 1st April, 1988, and any subsequent year of assessment—

- (a) any taxable income accruing to or assessed loss carried forward by the husband from that source; or
- (b) any right of election exercised by or allowance or deduction granted to her husband in respect of the taxable income or assessed loss referred to in paragraph (a);

shall be deemed to have accrued to or been carried forward or exercised by or been granted to, as the case may be, the married woman, and the same consequences shall follow and the same rights accrue to the married woman as would have

followed or, as the case may be, accrued to her husband in respect of that taxable income, assessed loss, election, allowance or deduction.

FIRST SCHEDULE

[\(Section 8\)](#)

AMOUNTS RECEIVED OR ACCRUED BY WAY OF **LUMP SUM PAYMENTS** WHICH SHALL NOT BE INCLUDED IN GROSS INCOME

PRELIMINARY *Interpretation*

1

(1) In this Schedule—

“amended pensions law”, in relation to a Part II beneficiary to whom a pensions law of Zimbabwe applied, means a pensions law of Zimbabwe in force before the 1st July, 1960, the provisions of which were amended or re-enacted on or after that date to provide for an increase in the ordinary contributions made to the Consolidated Revenue Fund by the beneficiary or the State or the beneficiary and the State with the object of increasing the amount of the pension payable to the beneficiary and **“unamended”**, when used in relation to a pensions law, and **“unamended or re-enacted”**, when used in relation to the provisions of a pensions law, shall be construed accordingly;

“annuity on retirement”, in relation to—

Amended in US\$ by Act 5/2009 w.e.f.30th September, 2009.

(a) a Part I beneficiary, means—

- (i) in the case of a male beneficiary, an annuity payable on his attaining an age of not less than **55** years;
- (ii) in the case of a female beneficiary, an annuity payable on her attaining an age of not less than **50** years;

the right to which cannot be assigned or pledged and of which no amount in excess of $\frac{1}{3}$ of the total value of the annuity may be commuted for a single payment except where the annual amount of such annuity does not exceed **US\$1800**;

Amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
amount increased Finance Act 10/2020 w.e.f. 31st December, 2020;
increased by Finance Act 8/2022 w.e.f. 24th October, 2022
increased by Finance Act 13/2023 w.e.f. 29th December, 2023.

(b) a Part II beneficiary, means an annuity payable on or after the date from which a pension or other benefit—

- (i) first became payable to the beneficiary on the grounds of superannuation; or
- (ii) would, but for the cessation of the employment of the beneficiary or his withdrawal from or the winding up of the pension fund of which he was a member, first have become payable to the beneficiary on the grounds of superannuation;

the right to which cannot be assigned or pledged and of which no amount in excess of **1/3rd** of the total value of the annuity may be commuted for a single payment except where the annual amount of such annuity does not exceed **US\$1800**;

Increased by Finance Act 13/2023 w.e.f. 29th December, 2023.

“benefit fund” means a fund as defined in paragraph (b) of the definition of “benefit fund” in [subsection \(1\) of section two](#);

“fund with changed rules”, in relation to a Part I beneficiary or a Part II beneficiary who was a member of a pension fund, means a benefit or pension fund established before the **1st July 1960**, the rules of which were changed on or after that date to provide for an increase in the ordinary contributions made by the beneficiary or the employer of the beneficiary or the beneficiary and the employer of the beneficiary with the object of increasing the amount of the benefit or pension payable to the beneficiary and **“unchanged”**, when used in relation to the rules of a benefit or pension fund, shall be construed accordingly;

“lump sum payment”, in relation to—

- (a) a Part I or Part II beneficiary who was employed within Zimbabwe throughout the period during which ordinary contributions were made, means an amount equal to the terminal benefit paid to him;
- (b) a Part III beneficiary who was employed within Zimbabwe throughout the period during which he was a member of an unapproved fund, means an amount equal to the terminal benefit paid to him;
- (c) a Part I or Part II beneficiary who was not employed within Zimbabwe throughout the period during which ordinary contributions were made, means an amount which bears the same proportion to the terminal benefit paid to him as the period of his employment within Zimbabwe during which ordinary contributions were made bears to the period throughout which ordinary contributions were made;
- (d) a Part III beneficiary who was not employed within Zimbabwe throughout the period during which he was a member of an unapproved fund, means an amount which bears the same proportion to the terminal benefit paid to him as the period of his employment within Zimbabwe during which he was a member of

such fund bears to the period throughout which he was a member of such fund;

“new fund” means a benefit or pension fund established on or after **the 1st July, 1960;**

“ordinary contribution”, in relation to—

- (a) a Part I beneficiary, means a contribution to a benefit fund which—
 - (i) was not an arrear contribution; and
 - (ii) was made by or in connection with the beneficiary; and
 - (iii) was required to be made at intervals fixed by the rules of the fund; and
 - (iv) was not refundable to the contributor;
- (b) a Part II beneficiary, means a contribution to a pension fund or the Consolidated Revenue Fund, as the case may be, which—
 - (i) was not an arrear contribution; and
 - (ii) was made by or in connection with the beneficiary; and
 - (iii) was required to be made at intervals fixed by the rules of the fund or at a rate and at intervals fixed by the pensions law of Zimbabwe, as the case may be; and
 - (iv) was not refundable to the contributor;

“Part I beneficiary” means a person who was a member of a benefit fund;

“Part II beneficiary” means—

- (a) a person who was a member of a pension fund; or
- (b) a person to whom a pensions law of Zimbabwe applied;

“Part III beneficiary” means a person who was a member of an unapproved fund;

“pensions law of Zimbabwe” means a law of Zimbabwe, the provisions of which require a person to contribute to the Consolidated Revenue Fund for the purpose of securing a pension for himself, his widow or children;

“terminal benefit”, in relation to—

- (a) a Part I beneficiary, means any amount (other than a payment by way of annuity), which is paid or will be payable to the beneficiary by reason of his withdrawal from or the winding up of a benefit fund;
- (b) a Part II beneficiary, means any amount (other than—
 - (i) an amount referred to in paragraph (a) or (b) of the definition of “gross income” in [subsection \(1\) of section eight](#); or

- (ii) a payment in commutation of a pension made from a pension fund or the Consolidated Revenue Fund);

which is paid or will be payable to the beneficiary by reason of his withdrawal from or the winding up of a pension fund or which is a benefit (not being a pension or gratuity) which is paid or will be payable by reason of contributions to the Consolidated Revenue Fund;

- (c) a Part III beneficiary, means any amount other than a payment by way of an annuity which is paid or will be payable to the beneficiary by reason of his withdrawal from or the winding up of an unapproved fund;

“unapproved fund” means a fund or scheme established by an employer for the purpose of providing pensions, annuities, terminal benefits or similar benefits for his employees or the widows, children, dependants or nominees of deceased employees or for all or any of these purposes, which is not a pension fund or a benefit fund.

(2) For the purposes of this *Schedule*—

- (a) a Part I or Part II beneficiary who was employed outside Zimbabwe by the State or the Government of the former Federation during any period in which ordinary contributions were made shall, if he was resident outside Zimbabwe solely for the purposes of that employment, be deemed to have been employed within Zimbabwe during that period; and
- (b) a lump sum payment from the Federal Provident Fund established in terms of section 4 of the Federal Provident Fund Act, 1960 (No. 29 of 1960), to a Part I beneficiary who, by reason of the provisions or in pursuance of anything done in terms of [subsection \(4\) of section 15 of that Act](#), became a member of that Fund on ceasing to be a member of the Government Employees’ Provident Fund established in terms of section 3 of *the Government Provident Fund Act [*Chapter 86 of 1963*]

* no longer in force— Editor

shall, if he became a member of the Government Employees’ Provident Fund before the 1st July, 1960, be deemed to be a lump sum payment made from a benefit fund established before the **1st July, 1960**, to a Part I beneficiary who became a member of the fund before that date; and

- (c) a lump sum payment from the Government Employees’ Provident Fund established in terms of section 3 of the Government Provident Fund *Act [*Chapter 86 of 1963*]]

*no longer in force— Editor

to a Part I beneficiary who was a member of that Fund prior to the 1st July, 1960, and who, immediately on ceasing to be a member of that Fund,

became a member of the Federal Provident Fund established in terms of section 4 of the Federal Provident Fund *Act, 1960 (No. 29 of 1960)

*no longer in force— Editor

and who, immediately on ceasing to be a member of the Federal Provident fund, became a member of the first-mentioned Fund, shall be deemed to be a lump sum payment made from a benefit fund established before the 1st July, 1960, to a Part I beneficiary who became a member of the fund before that date; and

- (d) a lump sum payment to a Part II beneficiary who was a member of the pension fund of the Government of the former Federation or a statutory corporation before the 1st July, 1960, and who, as a result of the dissolution of the former Federation, is required to contribute to the Consolidated Revenue Fund or to the pension fund of a successor statutory corporation, shall be deemed to be a lump sum payment made from a pension fund established before the **1st July, 1960**, to a Part II beneficiary who became a member of the fund before that date.

PART I

AMOUNTS RECEIVED OR ACCRUED BY WAY OF LUMP SUM PAYMENTS FROM BENEFIT FUNDS WHICH SHALL NOT BE INCLUDED IN GROSS INCOME

Lump sum payments from funds with unchanged rules to Part I beneficiaries who became members before the 1st July, 1960

2

If a lump sum payment is made from a fund with unchanged rules to a Part I beneficiary who became a member of the fund before the **1st July, 1960**, the amount of the lump sum payment shall not be included in the gross income of the beneficiary.

Lump sum payments from funds with changed rules to Part I beneficiaries who became members before the 1st July, 1960

3

If a lump sum payment is made from a fund with changed rules to a Part I beneficiary who became a member of the fund before the 1st July, 1960—

- (a) so much of the amount of the lump sum payment as—
(i) does not exceed **US\$ 1 800**;

Amended in US\$ by Act 5/2009. w.e.f. the 30th September, 2009;
further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
amount increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
substituted by Finance Act 7/2021 w.e.f. 31st December 2021;
increased by Finance Act 8/2022 w.e.f. 24th October, 2022;
amended by Finance Act 13/2023 w.e.f. 29th December, 2023.

or

(ii) is equal to the lump sum payment the beneficiary would have received had the rules of the fund remained unchanged;

whichever is the greater amount; and

Para (a) amended by section 16 (a) of Act 18/2000 w.e.f. 1st January, 2001.

- (b) so much of the balance of the amount of the lump sum payment, if any, remaining after the amount referred to in subparagraph (a) has been excluded therefrom as is used by the beneficiary to acquire a right to an annuity on retirement; and
- (c) so much of the balance of the amount of the lump sum payment, if any, remaining after the amounts referred to in subparagraphs (a) and (b) have been excluded therefrom as is paid by the beneficiary into another benefit fund or into a pension fund as contributions which do not qualify for deduction in terms of [paragraph \(h\)](#) or [\(i\) of subsection \(2\) of section fifteen](#);

shall not be included in the gross income of the beneficiary.

Lump sum payments from new funds to Part I beneficiaries and from funds with changed or unchanged rules to Part I beneficiaries who became members on or after the 1st July, 1960

4

If a lump sum payment is made from a new fund to a Part I beneficiary or from a fund with changed or unchanged rules to a Part I beneficiary who became a member of the fund on or after the 1st July, 1960—

- (a) so much of the amount of the lump sum payment as does not exceed **US\$1 800**, and

Paragraph (a) amended by section 16 (b) of Act 18/2000 w.e.f. the year of assessment beginning on the 1st January, 2001;
amended in US\$ by Act 5/2009 w.e.f. the 30th September, 2009;
further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
amount increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
substituted by Finance Act 7 of 2021 w.e.f. 31st December, 2021;
increased by Finance Act 8/2022 w.e.f. 24th October, 2022;
amended by Finance Act 13/2023 w.e.f. 29th December, 2023.

- (b) so much of the balance of the amount of the lump sum payment, if any, remaining after the amount referred to in subparagraph (a) has been excluded therefrom as is used by the beneficiary to acquire a right to an annuity on retirement; and
- (c) so much of the balance of the amount of the lump sum payment, if any, remaining after the amounts referred to in subparagraphs (a) and (b) have been excluded therefrom as is paid by the beneficiary into another benefit

fund or into a pension fund as contributions which do not qualify for deduction in terms of [paragraph \(h\)](#) or [\(i\) of subsection \(2\) of section fifteen](#);

shall not be included in the gross income of the beneficiary.

Lump sum payments to Part I beneficiaries from new funds, funds with changed rules or funds of which they became members on or after 1st July, 1960, which contain amounts received from other funds

5

For the purposes of this Part, a lump sum payment received by a Part I beneficiary from a new fund, a fund with changed rules or a fund of which he became a member on or after the 1st July, 1960, shall not include that part of any amount received from such fund as relates to his membership of any other fund and which would not have been subject to tax in terms of this Act or any previous law had it been received from such other fund.

PART II

AMOUNTS RECEIVED OR ACCRUED BY WAY OF LUMP SUM PAYMENTS FROM PENSION FUNDS OR THE CONSOLIDATED REVENUE FUND WHICH SHALL NOT BE INCLUDED IN GROSS INCOME

Lump sum payments from funds with unchanged rules to Part II beneficiaries who became members before the 1st July, 1960, and from the Consolidated Revenue Fund to Part II beneficiaries to whom an unamended pensions law applied before the 1st July, 1960

6

If a lump sum payment is made from a fund with unchanged rules to a Part II beneficiary who became a member of the fund before the 1st July, 1960, or from the Consolidated Fund to a Part II beneficiary to whom an unamended pensions law applied before the 1st July, 1960, the amount of the lump sum payment shall not be included in the gross income of the beneficiary.

Lump sum payments from funds with changed rules to Part II beneficiaries who became members before the 1st July, 1960, and from the Consolidated Revenue Fund to Part II beneficiaries to whom an amended pensions law applied before the 1st July, 1960

7

If a lump sum payment is made from a fund with changed rules to a Part II beneficiary who became a member of the fund before the 1st July, 1960, or from the Consolidated Revenue Fund to a Part II beneficiary to whom an amended pensions law applied before the 1st July, 1960—

- (a) in the case of a lump sum payment which does not exceed **US\$ 1 800**, the amount of the lump sum payment; and

Paragraph (a) amended by Act 18/2000 w.e.f. 1st January, 2001;
amended in US\$ by Act 5/2009 w.e.f. the 30th September, 2009;
further amended redesignated from US\$ to zw\$ by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;

increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
substituted by Finance Act 7/2021 w.e.f. 31st december,2021;
increased by Finance Act 8/2022 w.e.f. 24th October, 2022;
amended by Finance Act 13/2023 w.e.f. 29th December, 2023.

(b) in the case of a lump sum payment which exceeds **\$900 000** —

Paragraph (b) amended by Act 18/2000 from the 1st January, 2001;
amended in US\$ by Act 5/2009 w.e.f. the 30th September, 2009;
further amended redesignated from US\$ to zw\$ by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
amount increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
substituted by Finance Act 7/2021 w.e.f. 31st december,2021;
increased by Finance Act 8/2022 w.e.f. 24th October, 2022.

- (i) so much of the amount of the lump sum payment as is equal to the lump sum payment the beneficiary would have received had the rules of the fund remained unchanged or the amended pensions law not been amended or re-enacted, as the case may be; and
- (ii) so much of the balance of the amount of the lump sum payment, if any, remaining after the amount referred to in subparagraph (i) has been excluded therefrom as is used by the beneficiary to acquire a right to an annuity on retirement; and
- (iii) so much of the balance of the amount of the lump sum payment, if any, remaining after the amounts referred to in subparagraphs (i) and (ii) have been excluded therefrom as is paid by the beneficiary into another pension fund as contributions which do not qualify for deduction in terms of [paragraph \(h\)](#) or [\(i\) of subsection \(2\) of section fifteen](#);

shall not be included in the gross income of the beneficiary.

Lump sum payments from new funds to Part II beneficiaries, from funds with changed or unchanged rules to Part II beneficiaries who became members on or after the 1st July, 1960, and from the Consolidated Revenue Fund to Part II beneficiaries to whom a pensions law did not apply before the 1st July, 1960

8

If a lump sum payment is made from a new fund to a Part II beneficiary or from a fund with changed or unchanged rules to a Part II beneficiary who became a member of the fund on or after the 1st July, 1960, or from the Consolidated Revenue Fund to a Part II beneficiary to whom a pensions law of Zimbabwe did not apply before the 1st July, 1960—

- (a) in the case of a lump sum payment which does not exceed **US\$ 1 800**, the amount of the lump sum payment; and

Amended Act 18/2000 from the 1st January, 2001;
amended in US\$ by Act 5/2009 with effect from the 30th September, 2009;
further amended duly redesignated in **zw\$** terms by Finance (No.2) Act 7/2019 w.e.f. 21st August,

2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
amount increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
substituted by Finance Act 7/2021 w.e.f. December, 2021;
increased by Finance Act 8/2022 w.e.f. 24th October, 2022;
amended by Finance Act 13/2023 w.e.f. 29th December, 2023.

(b) in the case of a lump sum payment which exceeds **\$900 000 or US 1 800** —

Amended by Act 18/2000 from the 1st January, 2001;
amended in US\$ by Act 5/2009 w.e.f. the 30th September, 2009;
further amended duly redesignated in **zw\$** terms by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
increased by Finance Act 8/2022 w.e.f. 24th October, 2022.

- (i) so much of the amount of the lump sum payment as is used by the beneficiary to acquire a right to an annuity on retirement; and
- (ii) so much of the balance of the amount of the lump sum payment, if any, remaining after the amount referred to in subparagraph (i) has been excluded therefrom as is paid by the beneficiary into another pension fund as contributions which do not qualify for deduction in terms of [paragraph \(h\)](#) or [\(i\) of subsection \(2\) of section fifteen](#);

shall not be included in the gross income of the beneficiary.

Lump sum payments to Part II beneficiaries from new funds, funds with changed rules or funds of which they became members on or after 1st July, 1960, which contain amounts received from other funds

9

For the purposes of this Part, a lump sum payment received by a Part II beneficiary from a new fund, a fund with changed rules or a fund of which he became a member on or after the 1st July 1960, shall not include that part of any amount received from such fund as relates to his membership of any other fund and which would not have been subject to tax in terms of this Act or any previous law had it been received from such other fund.

PART III

AMOUNTS RECEIVED OR ACCRUED BY WAY OF LUMP SUM PAYMENTS FROM UNAPPROVED FUNDS WHICH SHALL NOT BE INCLUDED IN GROSS INCOME

10

If a lump sum payment is made to a Part III beneficiary, so much thereof as represents a refund of the beneficiary's contributions to the unapproved fund shall not be included in the gross income of the beneficiary.

SECOND SCHEDULE

[\(Section 8\)](#)

VALUATION OF TRADING STOCK

PART I

PRELIMINARY

Interpretation of terms relating to trading stock

1

In the provisions of this *Schedule* relating to the trading stock of a person—

“cost price” includes the freight charges, insurance premium, duty and other costs and expenses incurred by the person in bringing the trading stock to hand;

“date of valuation”, in relation to trading stock referred to in subparagraphs (i) to (iv) of paragraph (h) of the definition of “gross income” in [subsection \(1\) of section eight](#), means—

- (a) in the case of trading stock referred to in subparagraphs (i) and (iv) of that paragraph, the last day of the year of assessment; and
- (b) in the case of trading stock referred to in subparagraphs (ii) and (iii) of that paragraph, the date on which the trading stock was taken, given, disposed of or sold or vested, as the case may be;

“farm trading stock” means—

“Farmer” v COT [86-ITC-1424](#)

- (a) livestock acquired or bred by a farmer for the purposes or in the carrying on of his farming operations; and
- (b) crops and other produce produced or partially produced by a farmer in the carrying on of his farming operations.

PART II

VALUATION OF TRADING STOCK OTHER THAN FARM TRADING STOCK

Interpretation in Part II

2

(1) In this Part—

“market value”, in relation to the trading stock of a person—

- (a) means an amount equal to the consideration for which other trading stock of the same kind, quality and condition is disposed of in the ordinary course of trade by other persons carrying on the same trade in like circumstances;
- (b) does not include any amount attributable to freight, handling and selling charges and commission incurred in the disposal in the ordinary course of trade of trading stock normally disposed of through an agent.

(2) If in the opinion of the Commissioner there is insufficient evidence of the market value of trading stock at the date of valuation, the market value of the trading stock at that date

shall, notwithstanding the definition of “market value” in subparagraph (1), be an amount which he considers to be fair and reasonable.

Application of Part II

3

This Part shall not apply to the farm trading stock of a farmer.

Valuation of trading stock referred to in subparagraphs (ii), (iii) and (iv) of paragraph (h) of the definition of “gross income”

4

Subject to paragraph 7, the value of the trading stock of a person shall, for the purpose of subparagraphs (i), (iii) and (iv) of paragraph (h) of the definition of “gross income” in [subsection \(1\) of section eight](#), be an amount equal to—

Delta Beverages (Pvt) Ltd v Zimra [22-SC-003](#)

- (a) the cost price to the person; or
- (b) the cost of replacement at the date of valuation; or
- (c) the market value at the date of valuation;

of each item of the trading stock, whichever the person or, as the case may be, his trustee may elect at the time of the return of income of the person in which the trading stock is included:

Provided that—

- (i) if the Commissioner is satisfied that it is impossible or impracticable to determine the value of trading stock as in this paragraph is provided he may accept such other method of valuation as he considers the circumstances warrant;
- (ii) if trading stock—
 - (a) has been given by the person to some other person; or
 - (b) has been disposed of by the person otherwise than by sale or exchange; or
 - (c) has been disposed of by the person otherwise than in the manner described in subparagraph (ii) or subparagraph A of subparagraph (iii) or subparagraph (iv) or subparagraph (v) of paragraph (h) of the definition of “gross income” in [subsection \(1\) of section eight](#);

and the Commissioner is of the opinion that such trading stock has been given away or disposed of in pursuance of a transaction, operation or scheme which has as its sole purpose or one of its main purposes the avoidance or postponement of liability for or the reduction of any tax, the Commissioner shall determine the amount which he considers such trading

stock would have realized had it been disposed of by sale in the ordinary course of trade and such amount shall be included in the gross income of the person so giving away or otherwise disposing of such stock.

Valuation of trading stock referred to in subparagraph (ii) of paragraph (h) of the definition of "gross income"

5

Subject to paragraph 7, the value of the trading stock of a person shall, for the purposes of subparagraph (ii) of paragraph (h) of the definition of "gross income" in [subsection \(1\) of section eight](#), be an amount equal to the cost price to the person or the market value of the trading stock, whichever the person may elect.

Valuation of trading stock referred to in subparagraph (v) of paragraph (h) of the definition of "gross income"

6

The value of the trading stock of a person shall, for the purposes of subparagraph (v) of paragraph (h) of the definition of "gross income" in [subsection \(1\) of section eight](#), be the amount at which the trading stock was sold or disposed of.

Valuation of partially manufactured trading stock, etc.

7

The value of the trading stock of a person which, at the date of valuation is partially manufactured, produced, constructed, improved, consumed or used shall, for the purposes of subparagraphs (i) to (iv) of paragraph (h) of the definition of "gross income" in [subsection \(1\) of section eight](#), be an amount which the Commissioner considers to be the fair and reasonable value of the trading stock at the date of valuation.

PART III

VALUATION OF TRADING STOCK WHICH IS FARM TRADING STOCK

Interpretation in Part III

8

In this Part—

"class of livestock" means a class of livestock approved by the Commissioner for the purposes of this Part;

"cost and maintenance value", in relation to the ordinary livestock of a farmer, means the sum of—

(a) the amount, as nearly as it can be ascertained, of the cost price to the farmer of the livestock or, as the case may be, the cost incurred by the farmer in breeding the livestock; and

(b) the cost to the farmer of maintaining the livestock in the year of assessment and any preceding year of assessment;

"fixed standard value", in relation to—

amounts amended in US\$ by Act 5/2009 w.e.f. the 30th September, 2009.

- (a) a class of ordinary livestock of a farmer, means the standard value fixed by the farmer in terms of subparagraph (a) of subparagraph (2) of paragraph 10;
- (b) a class of stud livestock of a farmer, means—
 - (i) in the case of an animal in that class the cost price to the farmer of which was less than **US\$150** the standard value fixed by the farmer in terms of subparagraph (b) of subparagraph (2) of paragraph 10; and
 - (ii) in the case of an animal in that class the cost price to the farmer of which was **US\$150** or more—
 - A. the standard value fixed by the farmer in terms of subparagraph (b) of subparagraph (2) of paragraph 10; or
 - B. **US\$150**;

whichever the farmer in terms of that subparagraph may elect;

Para (b) amended by Act 18/2000 from the 1st January, 2001;
amended further by Finance Act 13/2023 w.e.f. 29th December, 2023.

“ordinary livestock” means livestock which is not stud livestock;

“purchase price value”, in relation to the stud livestock of a farmer, means—

amounts amended in US\$ by Act 5/2009 w.e.f. the 30th September, 2009.

- (a) in the case of an animal the cost price to the farmer of which was less than **\$19 500 or US\$ 150**, the cost price of the animal; and
- (b) in the case of an animal the cost price to the farmer of which was **\$19 5 00** or more—
 - (i) the cost of the animal; or
 - (ii) **\$75 000 or US\$ 150**;

whichever the farmer may elect;

Paras (a) and (b) amended by Act 18/2000 from the 1st January, 2001;
further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
amount increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
substituted by Finance Act 7/2021;
increased by Finance Act 8/2022 w.e.f. 24th October, 2022.

“stud livestock” means livestock bought by a farmer for stud purposes.

Application of Part III

This Part shall apply to the farm trading stock of a farmer.

"Farmer" v COT [86-ITC-1424](#)

Methods of valuation of livestock

10

(1) For the purposes of this Part, the livestock of a farmer shall be valued—

(a) in the case of a class of ordinary livestock, by reference to—

- (i) the fixed standard value of the livestock; or
- (ii) the cost and maintenance value of the livestock;

whichever the farmer in his first return of income in which that class of livestock is included may elect; and

(b) in the case of a class of stud livestock, by reference to—

- (i) the purchase price value of each animal; or
- (ii) the fixed standard value of the livestock;

whichever the farmer in his first return of income in which that class of livestock is included may elect:

Provided that a farmer who ceases to carry on farming operations after having made an election in terms of subparagraph (a) or (b) or under the similar provisions of a previous law shall be required to make a new election should he subsequently again commence farming operations and such election shall be made in the first return of income in which ordinary or stud livestock are included after he again commenced farming operations.

(2) If a farmer elects in terms of subparagraph (1) to value a class of livestock by reference to the fixed standard value of that class of livestock, the farmer shall at the time of the election—

(a) in the case of each class of his ordinary livestock, fix, with the approval of the Commissioner, the standard value which shall be applicable to all animals in that class; and

(b) in the case of each class of his stud livestock—

(i) fix, with the approval of the Commissioner, the standard value which shall be applicable—

A. to all animals in that class the cost price to the farmer of each of which was less than **US\$ 150**; and

B. if the farmer so elects, to any animal in that class the cost price to the farmer of which was **US\$150** or more;

Para (b) (i) amended by Act 18/2000 from the 1st January, 2001;
amounts amended in US\$ by Act 5/2009 w.e.f. the 30th September, 2009;
further amended redesignated from US\$ to zw\$ by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019;
amended by Act 13/2019 w.e.f. 31st December, 2019;
amounts increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
substituted by Finance Act 7/2021;
increased by Finance Act 8/2022 w.e.f. 24th October, 2022;
amended by Finance Act 13/2023 w.e.f. 29th December, 2023.

and

(ii) make the election referred to in subparagraph B of subparagraph (i):

Provided that in any case where the Commissioner is unable to approve of a standard value fixed by a farmer in terms of subparagraph (a) or (b), the Commissioner shall fix such standard value.

(3) If a farmer elects in terms of subparagraph (b) of subparagraph (1) to value a class of his stud livestock by reference to the purchase price value of each animal, the farmer shall, at the time of the election, make the election to which subparagraph (b) of the definition of “**purchase price value**” in paragraph 8 relates.

Alteration in methods of valuation and fixed standard values

11

(1) With the approval of the Commissioner a farmer may, subject to such conditions as the Commissioner may fix—

(a) change the method of valuation of his livestock; and

(b) alter the standard value of any class of his livestock which was fixed by the farmer in terms of subparagraph (2) of paragraph 10.

(2) Save as is provided in subparagraph (1), an election to which this Part relates shall be irrevocable.

Valuation of farm trading stock referred to in subparagraphs (i), (iii) and (iv) of paragraph (h) of the definition of “gross income”

12

The value of the farm trading stock of a farmer shall, for the purpose of subparagraphs (i), (iii) and (iv) of paragraph (h) of the definition “gross income” in [subsection \(1\) of section eight](#), be an amount equal to—

(a) in the case of livestock, the value of the livestock at the date of valuation determined in accordance with the method of valuation elected by the farmer in terms of subparagraph (1) of paragraph 10; and

(b) in the case of all other farm trading stock, an amount which the Commissioner considers to be the fair and reasonable value of the farm trading stock at the date of valuation:

Provided that if farm trading stock—

- (a) has been given by the farmer to some other person; or
- (b) has been disposed of by the farmer otherwise than by sale or exchange; or
- (c) has been disposed of by the farmer otherwise than in the manner described in subparagraph (ii) or subparagraph A of subparagraph (iii) or subparagraph (iv) or subparagraph (v) of paragraph (h) of the definition of “gross income” in [subsection \(1\) of section eight](#);

and the Commissioner is of the opinion that such farm trading stock has been given away or disposed of in pursuance of a transaction, operation or scheme which has as its sole purpose or one of its main purposes the avoidance or postponement of liability for or the reduction of any tax, the Commissioner shall determine the amount which he considers such farm trading stock would have realized had it been disposed of by sale in the ordinary course of trade and such amount shall be included in the gross income of the farmer so giving away or otherwise disposing of such farm trading stock.

Valuation of farm trading stock referred to in subparagraph (ii) of paragraph (h) of the definition of “gross income”

13

The value of the farm trading stock of a farmer shall, for the purposes of subparagraph (ii) of paragraph (h) of the definition of “gross income” in [subsection \(1\) of section eight](#), be an amount which the Commissioner considers to be the fair and reasonable value of the farm trading stock at the date of valuation.

Valuation of farm trading stock referred to in subparagraph (v) of paragraph (h) of the definition of “gross income”

14

The value of the farm trading stock of a farmer shall, for the purposes of subparagraph (v) of paragraph (h) of the definition of “gross income” in [subsection \(1\) of section eight](#), be an amount at which the farm trading stock was sold or disposed of.

THIRD SCHEDULE

[\(Section 14\)](#)

EXEMPTIONS FROM INCOME TAX

1

The receipts and accruals of—

- (a) Local Authorities;
- (b) the Reserve Bank of Zimbabwe;

- (c) the Zambezi River Authority;
- (d) the Environment Management Board;

substituted by s. 143 of Act 13 of 2002 [Chapter 20:27](#)

- (e) the Peoples Own Savings Bank referred to in [section 3 of the Post Office Savings Bank Act \[Chapter 24:22\]](#);

Subpara (e) inserted by Act 17 of 1997 from 1 April 1995, substituted by Act 18 of 1999; amended by Finance Act 8/2022 gazetted on the 24th October, 2022 w.e.f. 1st April, 2001.

- (f) the wholly owned company of the Reserve Bank of Zimbabwe called the Zimbabwe Asset Management Corporation (Private) Limited (ZAMCO), incorporated in terms of the *[Companies Act \[Chapter 24:03\]](#) on the **15th July, 2014** with effect from that date.

Sub-paras (f) and (g) deleted by Act 4 of 1996 from 1 April 1995;
 Subpara (f) re-inserted by the Finance (No.2) Act 9 of 2015;
 substituted without any change in wording by the Finance Act 2 of 2017 gazetted on 23rd March, 2017;
[Chapter 24:03](#) became CHAPTER 24:31 since 13th February, 2020 – Editor.

- (g) the **Victoria Falls** Stock Exchange, being a securities exchange licensed under the [Securities and Exchange Act \[Chapter 24:25\]](#) under conditions specified under the [Exchange Control Act \[Chapter 22:05\]](#) to permit companies incorporated, registered or doing business in Zimbabwe to raise capital through the issuance of and dealing in shares, debentures and other securities denominated in United States dollars;

Subpara (g) – not (f) as gazetted - inserted by section 13 of Act 8/2020 gazetted on the 28th October, 2020 with effect from the year of assessment beginning on the 1st August, 2020.

- (h) with effect from the **1st January, 2021**, any special purpose vehicle (SPV) initially wholly owned by the Infrastructure Development Bank of Zimbabwe wherein private sector contractors, in return for a share in the equity of the SPV, undertake to construct on-campus student accommodation at any public institution of higher or tertiary education.

Subpara (h) -not (g) as gazetted-inserted by section 13 of Act 8/2020 gazetted on the 28th October, 2020 with effect from the year of assessment beginning on the 1st August, 2020.- presuming this date is not in conflict with the commencement on the 1/1/21- Editor

2

The receipts and accruals of—

- (a) agricultural, mining and commercial institutions or societies not operating for the private pecuniary profit or gain of the members;

Zimbabwe Revenue Authority v FC Platinum [22-SC-044](#)

- (b) benefit funds;

- (c) building societies, and financial institutions providing mortgage finance, but only to the extent that the receipts or accruals of such financial institutions are attributable to the provision of mortgage finance by them.

subpara (c) substituted by Act 1/2014 gazetted on the 4th April, 2014 with retrospective effect from 1st January, 2013: until substituted by Finance (No.2) Act 8 of 2014 w.e.f. the 17th October, 2014.

In this subparagraph—

“**building society**” means a building registered in terms of the [Building Societies Act \[Chapter 24:02\]](#);

“**financial institution**” means any banking institution registered in terms of the [Banking Act \[Chapter 24:20\]](#);

“**mortgage finance**” means the provision of loans for the acquisition of immovable property for residential purposes, which loans are secured by the collateral of that immovable property.

- (d) clubs, societies, institutes and associations organized and operated solely for social welfare, civic improvement, pleasure, recreation or the advancement or control of any profession or trade or other similar purposes if such receipts or accruals, whether current or accumulated, may not be divided amongst or credited to or enure to the benefit of any member or shareholder other than by way of remuneration for services rendered;

as long as they don't register as a Company limited by Guarantee - *Zimbabwe Revenue Authority v FC Platinum* [22-SC-044](#)

- (e) ecclesiastical institutions, charitable and educational institutions of a public character—

subpara (e) substituted by Finance Act 8/2015 w.e.f. 1st January, 2016

- (i) consisting of donations, tithes, offerings or other contributions by the members or benefactors of the institutions concerned, and any other receipts or accruals that are not receipts and accruals of income from trade or investment carried on by or on behalf of the institutions concerned; or
- (ii) that are receipts and accruals of income from trade or investment by any company of which that institution is the sole or principal member, and in respect of which the Minister responsible for the *Companies and Other Business Entities Act [[*Chapter 24:31](#)] has issued a licence in terms of section *76 of that Act.

EDITOR's note: -The new [Chapter 24:31](#) has been substituted *in lieu* of [Chapter 24:03](#) without any authority other than [section 303 of Chapter 24:31](#), so [section 76](#) has been substituted for [section 26](#) under [Chapter 24:03](#)

A company limited by guarantee, once licenced as such, **loses its tax exemption** *Zimbabwe Revenue Authority v FC Platinum* [22-SC-044](#)

- (f) employees saving schemes or funds approved by the Commissioner;
- (g) friendly, benefit or medical aid societies;
- (h) funds established by the Treasury in terms of the [Public Finance Management Act \[Chapter 22:19\]](#);

subpara (h) inserted by Act 29 of 1998 from 1 January 1998.

- (i) **pension funds**, until such date as the Minister may specify by notice in the *Gazette*;

subpara (i) repealed by Act 17 of 1997, and a new subpara inserted by Act 22 of 1999, both amendments taking effect from 1 January 1998.

- (j) any statutory corporation which is declared by the Minister, by notice in the *Gazette*, to be exempt from income tax;

Provided that the Minister may limit any such declaration to such of the statutory corporation's receipts and accruals as he may specify in the notice;

Subpara (j) substituted by Act 4 of 1996 and amended by Act 17 of 1997 w.e.f. 1 January 1998.
 Zimbabwe Revenue Authority Notice, 2001 [GN 364/2001](#)
 National Oil Infrastructure Company Notice 2016 [GN 86/2016](#)
 Rural Electrification Agency Notice 2018 [GN 145/2018](#).

- (k) trade unions;
- (l) trusts of a public character;

The Endeavour Foundation and UDC Ltd v COT [95-SC-095](#)

- (m) the *Deposit Protection Fund established in terms of [section 66 of the Banking Act \[Chapter 24:20\]](#).

Subpara (m) inserted by Act 10/2003 from 1 January 2004.

Editor's Note : This fund was repealed on the 16th March, 2012 by Section 65(m) of Act 7/2011 and replaced by section 13 of the Deposit Protection Corporation Act [Chapter 24:29](#)

- (n) with effect from the **1st January, 2013**, the *Investor Protection Fund established (in terms of the Securities Regulations, 2010, published in [Statutory Instrument 100/2010](#)) to protect investors in publicly-quoted securities;

Subparas (n) and (o) inserted by Act 1 of 2014 gazetted on the 4th April, 2014 with retrospective effect from the dates stated.

Editor's Note : this *Fund was established by section 86B of the Securities and Exchange Act [Chapter 24:25](#) , not by [SI 100/2010](#)

- (o) with effect from the **1st January, 2014**, the Insurance and Pensions Housing Company established to secure financing for home seekers that guaranteed by the State, of which the shareholders are the Ministry of Finance, the

Insurance and Pensions Commission and associations representing pension funds and life and funeral insurers;

- (p) the receipt and accruals of the Agricultural Development Fund (being a fund set up to assist the Government of Zimbabwe in raising funds to compensate former farmers who qualify for compensation under the **Global Compensation Deed**).

Subpara (p) inserted by Finance Act 7/2021 w.e.f. 31 December, 2021.

3

The receipts and accruals of—

- (a) any agency of any government, **other than** the Government of Zimbabwe, approved by the Minister by notice in a *statutory instrument*;

Income Tax (Exemption from Income Tax) (**Foreign Government Agencies**) Notice, 1981. [SI 131/1981](#)
Income Tax (Exemption from Income Tax) (**United Nations Organisation and Agencies**) Notice, 1999.
[SI 417/1999](#)

- (b) any international organization specified in terms of [section 7 of the Privileges and Immunities Act \[Chapter 3:03\]](#) which has been approved by the Minister by notice in a *statutory instrument*;
- (c) the organizations referred to in the [International Financial Organizations Act \[Chapter 22:09\]](#);
- (d) the African Development Bank referred to in the [African Development Bank \(Membership of Zimbabwe\) Act \[Chapter 22:01\]](#);
- (e) the African Development Fund referred to in the [African Development Fund \(Zimbabwe\) Act \[Chapter 22:02\]](#);
- (e1) the South African Reserve Bank;

Second subpara (e) renumbered as (e1) bl 18(c)(i) of Act 17 of 1997.

- (f) any foreign organization that provides finance for development in Zimbabwe, to the extent that its receipts and accruals are from a project approved for the purposes of this subparagraph by the Minister;
- (g) any person who is entitled to an exemption in respect of such receipts or accruals in terms of any agreement entered into by the Government of Zimbabwe with any other government, which agreement has been adopted by the Government of Zimbabwe on the recommendation of the Public Agreements Advisory Committee in accordance with the [International Treaties Act \[Chapter 3:05\]](#);

Paragraph (g) substituted by Finance (No. 2) Act 10 of 2022 gazetted on 30th December, 2022
Exemption from Income Tax (Deka Pumping Station and River Water Intake System Upgrade Project)
Notice, 2023. [SI 244/2023](#).

- (h) any bank or other financial institution outside Zimbabwe in connection with a loan or other facility granted to the Reserve Bank of Zimbabwe in terms of [paragraph \(m\) of subsection \(1\) of section 9 of the Reserve Bank of Zimbabwe Act \[Chapter 22:15\]](#);
- (i) any qualifying venture capital company or fund (for the purposes of qualifying for the exemption under this provision);

Income Tax (Exemption from Income Tax) (Investors in **Africa-Takura Ventures** Private Limited)
Notice, 1997. [SI 257/1997](#)

- (j) any qualifying real estate investment trust (for the purposes of qualifying for the exemption under this provision, a “**qualifying real estate investment trust REIT** “ means an entity registered as such under the [Collective Investment Schemes Act \[Chapter 24:19\]](#) which has as its principal object the owning, managing and investment in real estate and to which or in connection with which the following additional features or conditions must apply—

subpara (j) – **not (k)** as gazetted - inserted by Finance (No.2) Act 10/2020 w.e.f. *31st December, 2020

- A.** in the case of investors in the REIT other than a pension fund income must accrue from real estate investment projects commenced on or after the *date of commencement of the Finance (No. 2) Act, 2020; and
- B.** the REIT must receive a minimum of **80%** of its taxable income from real estate; and
- C.** the REIT must distribute a minimum of **80%** of its taxable income in the form of shareholder dividends in each financial year of the REIT; and
- 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;

Provided that one or more pension funds may hold all or any proportion of the shares of a REIT;

proviso inserted by Finance Act 7/2021 w.e.f. 31 December, 2021.

- II.** must not have more than **50%** of its shares held by 5 or fewer individuals during a taxable year:

Provided that one or more pension funds may hold up to **50%** the shares of REIT in any taxable year;
- E.** the REIT must be listed on a stock exchange registered in terms of the [Securities and Exchange Act \[Chapter 24:25\]](#);

“qualifying venture capital company or fund” means a company or fund which has as its principal object the provision of venture capital for development purposes and to which or in connection with which the following additional features or conditions must apply—

- A. the venture capital company or fund as well as the recipient of the venture capital (**“the recipient”**) must be residents of or domiciled in Zimbabwe, and must be tax compliant (in proof of which the Commissioner may demand the production of the relevant tax clearance certificates); and
- B. the venture capital company or fund must not (at least in respect of the receipt and accruals for which it claims exemption) invest in any of the following businesses or kinds of businesses—
 - I. businesses carried on in respect of the sale, leasing or other dealing with immovable property;
 - II. businesses ordinarily carried on by financial institutions;
 - III. businesses carried on in respect of financial or advisory services (including legal services, tax advisory services, stock broking services, management consulting services and auditing or accounting services);
 - IV. businesses carried on in respect of gaming, or games of chance;and
- C. the recipient must not be listed on a stock exchange; and
- D. the recipient is or proposes to be active in agriculture, mining, manufacturing, tourism or other aspect of the economy deemed by the Minister by *statutory instrument* to be critical for national development; and
- E. the venture capital company or fund must not hold shares in the recipient to the extent of controlling it, nor must it exert control over the recipient directly or indirectly through a related entity; and
- F. the predominant mode by which the venture capital company finances recipients is by means of equity rather than debt.

subpara (i) substituted by Act 13/1996 from 1 April 1996 ; substituted by Act 13/2019 w.e.f. 31st December, 2019.

- (j) of financial institutions in the form of income from Treasury Bills, if the ***terms sheet** subject to which the Treasury Bills in question were issued specified that their income was tax-free.

(2) **applies** as if its provisions took effect from the ***24th November, 2014**.

sub-para (j) inserted by the Finance Act 1/2019 w.e.f. 20th February, 2019
The above qualification of *the date of **application** was provided by section 13 of The Finance Act (No.3)13/2019 gazetted 31st December, 2019.

4

An amount accruing by way of—

- (1a) salary and emoluments paid to a person who is entitled to an exemption in respect of such receipts or salary and emoluments in terms of any agreement entered into by the Government of Zimbabwe with any other government, which agreement has been adopted by the Government of Zimbabwe on the recommendation of the Public Agreements Advisory Committee in accordance with the [International Treaties Act \[Chapter 3:05\]](#);

Para (1a) inserted by Act 13/2023 w.e.f. 29th December, 2023.

- (a) salary and emoluments paid in respect of his office to—
- (i) the President;
 - (ii) a member of the staff of the President in so far as such salary and emoluments are paid by the President;
 - (iii) any person who is entitled to exemption or relief from income tax in respect of such salary or emoluments in terms of the [Privileges and Immunities Act \[Chapter 3:03\]](#);
 - (iv) any person who—

subpara (iv) repealed by Act 13/2023 w.e.f. 29th December, 2023.
Income Tax (Exemption from Income Tax) (**United Nations Organisation and Agencies**) Notice, 1999; [SI 417/1999](#)
Income Tax (Expatriate Staff of Exemption from Income Tax) (**Konoike Construction Coy Ltd**) Notice, [SI 47/2019](#).

- (a1) any allowance payable to a spouse of the President or a Vice-President in respect of duties the spouse performs for or on behalf of the State;

Inserted by Act 17 of 1997 from 1 July 1996.

- (a2) any allowance payable by the State to the spouse of a former President;

Inserted by Act No.27 of 20⁰¹ from 1st November, 2001.

- (b) an allowance granted to a Minister or Deputy Minister, provincial governor, the Speaker, the Deputy Speaker, the Leader of the Opposition, a Chief Whip or a member of Parliament if it is specified for the purposes of this paragraph by the President by notice in a *statutory instrument* with effect from such date, whether before, on or after the date of the notice, as the President may specify therein;

- (c) the value of the grant of quarters, a residence, furniture or a motor vehicle to a Minister or Deputy Minister or the Speaker if it is specified for the purposes of this paragraph by the President by notice in a *statutory instrument*;

Editor's note — The word '**or**' is missing from the Revised Edition of this Act, and will be rectified by the Law Reviser when this wording- and that in subpara (b) above referring to **Parliament** instead of

House of Assembly in [SI 458/1980](#) — is corrected.

Income Tax (**Parliamentary Allowances** and Benefits) (Exemption from Income Tax) Notice, 1980. [SI 458/1980](#)

Ombudsman and Deputy Ombudsman (now replaced by the **Zimbabwe Human Rights Commission** i.t.o the Constitution 6th Schedule Part 4 (16) [SI 124/1984](#) (Exemption from Income Tax) (Senior State Employees) Notice, 1988. [SI 5/1988](#)

- (c1) any allowance or the value of any benefit which is granted to any person in the full-time employment of the State and which is specified for the purposes of this subparagraph by the President by notice in a statutory instrument with effect from such date, whether before, on or after the date of the notice, as the President may specify therein;

Income Tax (Exemption from Income Tax) (**Judges**) Notice, 1984. [SI 123/1984](#)

Income Tax (Exemption from Income Tax) (Deputy Chairman, **Law Development Commission**) Notice, 1991. [SI 252/1991](#)

Income Tax (Exemption from Income Tax) (Presidents of the **Administrative Court**) Notice, 1994. [SI 70/1994](#)

Income Tax (Exemption from Income Tax) (**Public Servants**) (Travel Allowances) Notice, 1994. [SI 153/1994](#)

- (d1) any **gratuity** payable to a judge of the supreme court or the High Court in terms of his conditions of service;

Subpara (d1) inserted by Act 17 of 1997 from 1 April 1995.

- (e) an allowance payable to a chief or headman in his capacity as chief or headman;
- (f) an allowance payable by reason of the overseas service of a member of the Defence Forces which is declared to be active service in terms of any law relating to defence;
- (g) one of the following allowances granted to a person who is not in full-time military or police employment, as the case may be—
- (i) a quarterly allowance granted to a commissioned officer in the Defence Forces; or
 - (ii) a volunteers allowance granted to a member of the Defence Forces; or
 - (iii) an annual allowance granted to a commissioned officer in the Police Constabulary established in terms of [section 27 of the Police Act \[Chapter 11:10\]](#);
- (h) a gratuity given in conjunction with the award of—
- (i) the Fire Brigades Long Service Medal;

or

- (ii) the Medal for Long Service and Good Conduct (Military);
- (i) a gratuity given to a member of the Police Force who has become eligible for the award of a medal as a reward for long service;
- (j) an allowance payable by the State to a person in its service in respect of—
 - (i) the expenditure incurred by the person in the discharge of his duties outside Zimbabwe; or
 - (ii) so much of the expenditure of the person in maintaining himself, his family or establishment whilst employed on duty outside Zimbabwe as exceeds the expenditure he would normally incur if he were employed in Zimbabwe;
- (k) the value of the grant of rations to a member of the Defence Forces or the Police Force for any period during which he is in the field engaged on operational military duties;
- (l) a gratuity given in conjunction with the grant of any honour or award created in terms of [section 3 of the Honours and Awards Act \[Chapter 10:11\]](#);
- (m) a scholarship, bursary, payment in respect of tuition fees or other educational allowance to a student receiving instruction at a school, college or university, but not including an amount accruing to the student by way of remuneration for services rendered or to be rendered by the student or a near relative of the student;
- (n) a monthly personal allowance payable to a councillor, in his capacity as a councillor, in terms of paragraph 54 of the First Schedule to the [Rural District Councils Act \[Chapter 29:13\]](#) or [section 112 of the Urban Councils Act \[Chapter 29:15\]](#);

Subpara (n) amended by Finance Act 7/2021 w.e.f. 31 December, 2021.

- (o) a **bonus or performance-related award** accruing to an employee or agent in respect of his or her employment or agency, to the extent that the bonus does not exceed or, where the employee or agent receives more than 1 bonus in the year of assessment concerned, to the extent that the aggregate of the bonuses **does not exceed US\$700** or the local currency equivalent thereof at the time of payment of the bonus or the performance-related award;

Subpara (o) substituted by the Finance Act 2024 gazetted on the 28th October, 2024.

Editor's Note:-there is no [*section 14\(2\)](#) of Finance (No.3) Act 13/2019, [Section 14\(1\) of that Act](#) amended para1(1) of the 5th SCHEDULE

- (p) the first **US\$3,200** if the recipient was remunerated in foreign currency or is deemed to have been so remunerated by virtue of [*section 4\(2\)](#) of the

Finance (No. 3) Act, 2019 or $\frac{1}{3}$, whichever is the greater, of the amount of any severance pay, gratuity or similar benefit, other than a pension or cash *in lieu* of leave, which is paid to an employee on the cessation of his employment, where his or her employment has ceased due to retrenchment;

Amended by Finance Act 13/2023 w.e.f. 29th December, 2023.

Provided that the exemption provided in this subparagraph shall apply only in respect of the first **US\$15,100** if the recipient was remunerated in foreign currency or is deemed to have been so remunerated by virtue of *section 4(2) of the Finance (No. 3) Act, 2019) of any such pay, gratuity or benefit payable to him in any one year of assessment.

proviso amended by Finance Act 13/2023 w.e.f. 29th December, 2023.

.Editor's Note:-there is no *[section 14](#)(2) of Finance (No.3) Act 13/2019.

(q)

Repealed by Act 3 of 2010 w.e.f. 17th September, 2010

(r)

Repealed by Act 3 of 2010 w.e.f. 17th September, 2010

(s) a reward paid to a person by the Commissioner-General in terms of [section 34B of the Revenue Authority Act \[Chapter 23:11\]](#);

Inserted by Act 10/2003 from the 31st December, 2001.

(t) the value of an allowance in respect of accommodation and transport, or the value of the grant of quarters or a residence to any member of staff of a mission hospital or rural clinic.

In this subparagraph “**mission hospital or rural clinic**” means a private hospital or rural clinic owned, operated or sponsored by any religious body or a hospital or rural clinic owned or operated by a rural district council.

Inserted by Act 10/2003 from 1st January, 2004.

(u) an award paid to a person from the Recovered Foreign Currency Fund in terms of [section 10 of the Exchange Control Act \[Chapter 22:05\]](#);

Subpara (u) inserted by Act 16 of 2004 to follow the above new subparas, w.e.f. 30th January, 2004.
The para number has been corrected to “u” – Editor.

(v) **rental income** to a taxpayer who is of or over the **age of 55** in respect of the first **US\$3,000** accruing to the taxpayer in the year of assessment concerned;

Subpara (v) substituted by Act 8 of 2005 and Act 6 of 2006, both w.e.f.1st January, 2006;
amended by Finance Act 13/2023 w.e.f. 29th December, 2023.

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

subpara (w) inserted by Act 13/2019 31st December, 2019.

- (x) monetary benefits received *in lieu* of a motor vehicle receivable in terms of the conditions of service attaching to the employment of—
- (i) a chairperson, vice-chairperson, commissioner and secretary of an independent constitutional Commission
 - (ii) a member of the Civil Service of the rank of Chief Director and Director;

Subpara (x) -not (w) as gazetted-inserted by section 13 of Act 8/2020 gazetted on the 28th October, 2020 with effect from the year of assessment beginning on the 1st August, 2020.

- (y) risk allowances payable to frontline public sector health personnel involved in combating the **COVID-19** public health State of Disaster declared on 28th March, 2020, for a **period of 12 months** commencing from 1st April, 2020.

Subpara (y) -not (x) as gazetted-inserted by section 13 of Act 8/2020 gazetted on the 28th October, 2020 with effect from the year of assessment beginning on the 1st August, 2020

5

An amount accruing by way of—

- (a) a pension or allowance payable in terms of the [Presidential Pension and Retirement Benefits Act \[Chapter 2:05\]](#);
- (b) the value of a service or facility provided in terms of the [Presidential Pension and Retirement Benefits Act \[Chapter 2:05\]](#).

6

An amount accruing by way of—

- (a) a war disability pension;
- (b) a war widow's pension:
 - (i) a pension payable in terms of a scheme established in terms of section 7 of the [*War Veterans Act \[Chapter 11:15\]](#);
 - (ii) a gratuity payable to a war veteran in terms of section 4 of the War Veterans (Benefits Scheme) Regulations, 1997, published in terms of section 7 of the [*War Veterans Act \[Chapter 11:15\]](#);

Now Replaced by the Veterans of The Liberation Struggle Act [\[Chapter 17:12\]](#)- w.e.f. 4th September, 2020-Editor

- (c) a pension in terms of the Old Age Pensions Act [*Chapter 332 of 1974*];

(d)

Repealed by Act 3 of 2010 w.e.f. 17th September, 2010.

- (e) an award, benefit or compensation, including a pension, to any person or his dependants or heirs under any law in respect of injury, disease, disablement or death suffered in employment;
- (f) an award, benefit or compensation, including a pension, to any person or his dependants in respect of personal injury, disablement or death which has been paid or is deemed to have been paid in terms of the [War Victims Compensation Act \[Chapter 11:16\]](#) or any law repealed by that Act;
- (g) an award, benefit or compensation, including a pension, to any person or his dependants which has been paid from the Wankie Disaster Relief Fund;
- (h) a pension paid from a pension fund or the Consolidated Revenue Fund to a taxpayer who attained the **age of 55 years** before the commencement of the year of assessment;

Inserted by Act 8 of 2005 from 1st January 2006.

- (h1) an amount referred to in [section eight\(1\)\(r\)](#) that is received by a person who has **not attained the age of 55 years** before the commencement of the year of assessment, to the extent of **US\$1,500** or $\frac{1}{2}$ of the package (whichever is the greater). This exemption is applied on a package up to max of **US\$10,000** of the amount of any pension commutation or annuity, which is paid to an employee on the cessation of his or her employment, where his or her employment has ceased due to retrenchment:

Amended by Act 8/2022 w.e.f. 24th October, 2022
amended by Finance Act 13/2023 w.e.f. 29th December, 2023.

Provided that the exemption in this subparagraph shall apply only in respect of the **first US\$1,500** of any deemed pension or annuity payable to him or her in any one year of assessment.

subpara (h1) inserted by Sect 5(c) of the Finance (No.2) Act 9 of 2015 w.e.f. 31st December, 2015;
amounts increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020
amended by Finance Act 13/2023 w.e.f. 29th December, 2023.

- (i) a pension payable in terms of a scheme established in terms of section 7 of the [*War Veterans Act \[Chapter 11:15\]](#);
- (j) a gratuity payable to a war veteran in terms of section 4 of the War Veterans (Benefits Scheme) Regulations, 1997, published in terms of section 7 of the [*War Veterans Act \[Chapter 11:15\]](#).

This subpara now reads (j) after correction by s 12(b) of the Finance Act 22 of 1999 of the error when inserted by s. 2 of Act 23 of 1997 from 1 December 1997
Now Replaced by the Veterans of The Liberation Struggle Act [\[Chapter 17:12\]](#)- w.e.f. 4th September, 2020-Editor

7

An amount accruing by way of a benefit in respect of the injury, sickness or death of a person which is paid to the person or his dependants or deceased estate—

- (a) by a trade union; or
- (b) from a benefit fund; or
- (c) in terms of a policy of insurance covering accident, sickness or death; or
- (d) by a medical aid society.

8

(1) **The value of medical treatment** or of travelling to obtain such treatment which is provided by an employer for an **employee** or the dependant of an employee, whether provided in kind, by direct payment, by refund or in any other manner whatsoever.

not for a director who is not an employee - editor

(2) The amount of any contributions paid to a medical aid society by an employer on behalf of his employees.

(3) $\frac{1}{2}$ the amount or value of a school benefit referred to in paragraph (f)l(a)(vi) of the definition of “*advantage or benefit*” in that section:

Provided that this exemption shall not apply to **more than 3 of the children** of the employee concerned.

subpara (3) inserted by Act 6 of 2012 w.e.f. the year of assessment beginning on the 1st January, 2013

9

An amount received by or accrued to or in favour of a person by way of a dividend from a company which is incorporated in Zimbabwe and is charged or chargeable to income tax. (This exemption does not, however, apply to any amount received by or accrued to or in favour of a person by way of a dividend deemed to have been paid in terms of [section twenty-six \(2\)](#) or [twenty-eight\(2\)](#)).

Para substituted by the Finance Act 2 of 2017 w.e.f. the 23rd March, 2017.

10

(1) An amount accruing by way of interest paid on—

- (a) any savings certificate issued in terms of any law;
- (b) a sum deposited in the Post Office Savings Bank of Zimbabwe;
- (c) any tax reserve certificate issued in terms of the [Tax Reserve Certificates Act \[Chapter 23:10\]](#);
- (d) a loan raised by the State subject to the condition that interest on the loan shall be exempt from income tax;

- (e) a loan raised by the State which is declared by the Minister, by *statutory instrument*, to be exempt from income tax;

Interest on 4% Government Bonds by non-residents) Notice, 1984 [SI 160/1984](#)

- (f) any loan made by the European Investment Bank established by Article 129 of the Treaty establishing the European Economic Community;
- (g) any loan to the Infrastructure Development Bank of Zimbabwe established by [section 3 of the Infrastructure Development Bank of Zimbabwe Act \[Chapter 24:14\]](#) made by an institutional shareholder as defined in that Act who is not ordinarily resident in Zimbabwe;

Amended by Act 11 of 2005 from 24th March , 2006, and then substituted with no change by Act 3 of 2010 w.e.f. 17th September,2010

and

- (h) class “C” permanent shares as defined in the Building Societies (Class “C” Shares) Regulations, 1986, to the extent and subject to the conditions specified in those regulations;

(h/)

Repealed by Act 2 of 2005 from 12th September, 2005.

(i)

Repealed by Act 13/1996 from 1st April 1996.

(j)

Repealed by Act 3 of 2010 w.e.f. 17th September,2010

- (k) any so called “**agricultural bond**” issued by the Agricultural Finance Corporation and a consortium of commercial banks;
- (l) any bond issued by the Reserve Bank of Zimbabwe on behalf of the National Fuel Investments Company (Private) Limited;

Inserted by Act 18/2000 from 23rd June, 2000.

- (m) any “**agricultural bond**” issued by a consortium of commercial banks led by Syfrets Corporate and Merchant Bank (Sybank) for the purpose of advancing the proceeds to support the beneficiaries of the resettlement programme which commenced under the terms of the [Land Acquisition Act \[Chapter 20:10\]](#) on the 23rd May, 2000;

corrected by Act 2 of 2005 from 12th November, 2002

- (n) any deposit with a financial institution accruing to a taxpayer who is of or over the age of **55 years**, in respect of the first **US\$ 3 000** accruing to the taxpayer in the year of assessment concerned;

Age decreased from 59 years limit;
amended by Finance Act 13/2023 w.e.f. 29th December, 2023.

For the purpose of this subparagraph—

“deposit” means Banker’s acceptances and other discounted instruments traded by financial institutions and accruing to a taxpayer who is of or over the **age of 55 years**, in respect of the first **US\$ 3000** accruing to the taxpayer in the year of assessment concerned;

“financial institution” means—

- (a) the Reserve Bank of Zimbabwe referred to in [section 4 of the Reserve Bank of Zimbabwe Act \[Chapter 22:15\]](#); or
- (b) any banking institution registered in terms of the [Banking Act \[Chapter 24:20\]](#); or
- (c) any building society registered in terms of the [Building Societies Act \[Chapter 24:02\]](#); or
- (d) an asset manager as defined in the [Asset Management Act \[Chapter 24:26\]](#); or
- (e) a collective investment scheme as defined in [section 3 of the Collective Investment Schemes Act, \[Chapter 24:19\]](#) .

or

- (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 **55 years**, in respect of the first **US\$3000** accruing to the taxpayer in the year of assessment concerned (*provided that b*).

Further increased by Finance Act 7/2021 w.e.f. 31 December, 2021; & by Act 8/2022 w.e.f. 24th October, 2022;
amended by Finance Act 13/2023 w.e.f. 29th December, 2023;
Editor’s Note: The words in italics are not understood.

(For the purpose of **paragraphs (n) and (o)**, the tax on interest of a person who receives such interest partly in Zimbabwe dollars and partly in United States dollars shall be taxed as if the interest 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 interest was received, and aggregated to the part of the interest denominated in United States dollars.

Act 6 of 2006 lowered age from 59 years + increased limit to \$144 million backdated to 1st January, 2006; Act 12/2006 increased the limit w.e.f. 1st January, 2007.
Act 16 of 2007 further increased the limit beyond \$ 1 344 000 w.e.f. 1st January, 2008; which was reduced from \$ 3 billion to \$0.30 w.e.f. 1st August, 2008 i.t.o SI 109/2008, but not increased by SI 149/08
and then ,with effect from the **1st February, 2009** Act 3/2009 substituted the above US\$ figure and further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019 amended by Act 13/2019 w.e.f. 31st December, 2019;; amounts increased by Finance

(No.2) Act 10/2020 w.e.f. 31st December,2020.

Editor's Note : The words underscored may cause difficulty. Section 13(2) of the above Finance Act 2 of 2005 gazetted on the 12th September, 2005 also provides that the exemption from tax on interest on deposits granted by section 17(b) of the Financial Laws Amendment Act No 16 of 2004 [the previous subpara (hl) above – now substituted above] shall cease in relation to persons below the age of 59 years and other taxpayers w.e.f. the 1/9/05, and accordingly such persons shall, with effect from that date, become liable to pay **RTI** *i.t.o.* the *21st Schedule* of this Act]

(p) any “**Diaspora Bond**” issued by the Commercial Bank of Zimbabwe (CBZ);

Paragraph (p) inserted by Act *5 of 2010 w.e.f. **3rd January, 2011**

(q) with effect from the **8th November, 2011**, any Agricultural Marketing Authority bill issued by the Agricultural Marketing Authority established in terms of the [Agricultural Marketing Authority Act \[Chapter 18:24\]](#);

Paragraph (q) inserted by the Finance (No.2) Act 9 of 2011 gazetted on the 31st December, 2011

(r) any loan made to a **small-scale gold miner** for carrying on mining operations or undertaking prospecting or exploratory works for the purpose of acquiring rights to mine gold as is used by the small-scale gold miner in carrying on or undertaking such operations or works in Zimbabwe;

(s) deposits with a tenure of **more than 12 months**.

subpara renumbered by the Editor as (s) inserted by Sect 5(d) of the Finance (No.2) Act 9 of 2015 w.e.f. 31st December, 2015

“**small-scale gold miner**” means a miner who, whether working on his/ her own or with the assistance of 1 or more employees, is classifiable as a “**micro-enterprise**” in the mining and quarrying sector of the economy by reference to the *Fourth and *Fifth Schedules to the [Small and Medium Enterprises Act \[Chapter 24:12\]](#).

Subpara #(r) inserted by Act 1 of 2014 w.e.f. the **1st January, 2014**.

Editor's Notes:-

- 1.the numbering has been aligned as #(r) because subpara (q) already taken by Act 9 of 2011 ;
- 2 .the above 4th and 5th Schedules of [Chapter 24:12](#) came into existence on the **7th February, 2014** –
Editor

(s) interest on any deposit in the **low cost housing savings instrument** as defined in the regulations to be prescribed by the Minister:

Provided that the regulations in question shall be laid before the National Assembly and not come into force **until the lapse of 14 sitting days** after they are so laid, unless the House has earlier passed a resolution annulling the regulations.

Subpara (s) -re-numbered by the Editor- inserted by Finance (No.2) Act 8 of 2014 w.e.f. the 17th October,2014.

(t) **deposits** with a tenure of **more than 12 months** ;

Subpara (s1) -re-numbered by the Editor- inserted by Finance (No.2) Act 9 of 2015 w.e.f. the 31st December,2014.

- (u) any **loan to any statutory corporation** approved by the Minister by General Notice in the *Gazette*.

Subpara (u) -re-numbered again by the Editor because of the continued confusing duplications in the *Gazetted* copy -inserted by Finance (No.3) Act 2014 w.e.f. **1st February, 2009** with a view to augmenting the attractiveness of debt instruments issued by such a statutory corporation. Subpara (s) was already enacted by Act 8 of 2014 and its allocated number was repeated by the later Finance (No.3) Act 11 of 2014 w.e.f. **January, 2009**,renumbered here accordingly -**Editor**

- (2) In subparagraph (1)—

“foreign currency account” means an account held at a bank or other financial institution in Zimbabwe in which the funds are denominated in a foreign currency;

“loan” includes any form of indebtedness known as an acceptance or standby credit facility.

10A

An amount accruing by way of interest, as defined in the *Twenty-First Schedule*, from which residents’ tax on interest is required to be withheld in terms of that *Schedule*.

11

(1) Subject to subparagraph (2), an amount by way of interest received by or accrued to or in favour of a person who, at the time the interest accrues, **is not ordinarily resident** and does not carry on business within Zimbabwe—

- (a) on so much of any loan made to a person carrying on mining operations or undertaking prospecting or exploratory works for the purpose of acquiring rights to mine minerals as is used by the person in carrying on or undertaking such operations or works in Zimbabwe; and
- (b) on any loan to the State or any company all the shares of which are owned by the State; and
- (c) on any loan to a local authority; and
- (d) on any loan to a statutory corporation; and
- (e) ...

Repealed by Act 3 of 2010 w.e.f. 17th September,2010

(2) In subparagraphs (b) and (d) of subparagraph (1), **“loan”** includes any form of indebtedness known as an acceptance or standby credit facility.

(3) Subparagraph (1) shall not apply to interest received by or accrued to or in favour of—

- (a) a person ordinarily resident in a country other than Zimbabwe which would, but for this subparagraph, be liable to tax in that country by reason of its exemption from tax in Zimbabwe; or

- (b) a company which, at the time the interest accrues, is under the control of a person who at that time is ordinarily resident or carries on business within Zimbabwe; or
- (c) a company incorporated outside Zimbabwe from a company incorporated in Zimbabwe if—
 - (i) the majority of the voting rights attaching to all classes of shares in the company incorporated within Zimbabwe is controlled, directly or indirectly, by the company incorporated outside Zimbabwe; and
 - (ii) the interest is liable to tax in a country other than Zimbabwe; and
 - (iii) the income tax which would, but for the provisions of this paragraph, be chargeable on the interest, would be allowable as a credit against tax payable in the country referred to in subparagraph (ii).

1

An amount received by way of **alimony**, howsoever paid.

13

An amount accruing by way of the sale of traditional beer in terms of the [Traditional Beer Act \[Chapter 14:24\]](#) to the extent that such amount is devoted to the purposes to which a person authorized under that Act to sell such beer is in terms of that Act required to devote such amount.

14

An amount paid by the State to an exporter of goods in terms of a Scheme for the development of export trade, excluding the amount of any duty refunded in terms of the [Customs and Excise Act \[Chapter 23:02\]](#).

15

Any amount received by way of an allowance referred to in [paragraph \(m\) of subsection \(1\) of section sixteen](#) to the extent that it is expended on the business of the employer.

16

With effect from the 1st June, 2016 and every subsequent year of assessment, the amount of the premium paid by the Reserve Bank of Zimbabwe pursuant to the Export and Foreign Remittance Incentive scheme on receipts of earnings by exporters and on remittances from abroad received by individuals resident in Zimbabwe, being receipts or remittances channelled through any authorised dealer in terms of the [Exchange Control Act \[Chapter 22:05\]](#).

Repealed by Act 8 of 2005 from 1st January, 2006. Inserted by the Finance Act 2 of 2017 w.e.f. 23rd March, 2017 and then substituted by the Finance Act 1 of 2018 gazetted on the 14th March, 2018 w.e.f. 1 June 2016.

17

The receipts and accruals of an industrial park developer, to the extent that they accrue directly from the operation of his industrial park, in the year of assessment in which the industrial park is established or is approved by the Minister for the purposes of the definition of “**industrial park**” in [section two](#), whichever year is the earlier, and in **each of the next 4 following years** of assessment.

18

An amount received by way of the sale, disposal or transfer of any duty exemption certificate issued by the Reserve Bank of Zimbabwe to an exporter qualifying for a rebate of duty on imports in terms of an export incentive scheme under which such certificates are issued.

Inserted by Act 18/2000 from 1 January, 2001, and amended by Act 15/2002 from 1 January, 2003.

19

An amount received by or accrued to or in favour of an employee participating in an **approved employee share ownership trust** from the sale to or redemption by the trust of any stock, shares, debentures, units or other interest of the employee in the scheme or trust of any stock, shares, debentures, units or other interest of the employee in the trust.

Inserted by Act 27 of 2001 from 1 January, 2002, and amended by Act 15/2002 from 1 January, 2003.

Old Mutual Zimbabwe Ltd v Commissioner-General of Zimra & ZIMRA [16-HH-143](#)

20

[Power generation project]

Para 20 inserted by the Finance Act 1 of 2018 w.e.f. 14th March, 2018; then repealed by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020.

FOURTH SCHEDULE

[\(Section 15 \(2\)\(c\)\)](#)

DEDUCTIONS TO BE ALLOWED IN RESPECT OF **BUILDINGS, IMPROVEMENTS, MACHINERY & EQUIPMENT** USED FOR COMMERCIAL, INDUSTRIAL & FARMING PURPOSES, & OTHER PROVISIONS RELATING THERETO

Interpretation

1

(1) In this *Schedule*—

“**articles, implements, machinery and utensils**” includes tangible or intangible property in the form of computer software that is acquired, developed to or used by a taxpayer for the purposes of his or her trade, **otherwise** than as trading stock;

U v COT [80-ITC-1324](#)

definition inserted by Finance (No.3) Act 11 of 2014 w.e.f. 1st January, 2015

ZIMRA v Stanbic Bank Zimbabwe Ltd [19-SC-013](#)

“associated company” means a company which controls, is controlled by or is under common control with a taxpayer;

“commercial building” means any building the erection of which was commenced on or after the 1st April, 1975, and which is used to the extent of **at least 90%** of the floor area for the purposes of trade or in the production of income but does not include—

- (a) a farm improvement, an industrial building, staff housing or a tobacco barn; or
- (b) a building which is occupied to the extent of **10%** or more of the floor area for residential purposes by one or more persons and which is not—
 - (i) a block of flats, apartments or similar units of residential accommodation; or
 - (ii) a hotel that is registered under the [Tourism Act \[Chapter 14:20\]](#); or

or

- (c) a building which is a block of flats, apartments or similar units of residential accommodation where—
 - (i) the building is owned by a company, partnership or association of persons; and
 - (ii) the shareholders of the company, partners or members of the association, as the case may be, have the right, by virtue of or in connection with the ownership of the shares or of their being partners or members, as the case may be, to occupy particular flats, apartments or other units of residential accommodation in the building;

“computer software” means any set of machine-readable instructions that directs a computer's processor to perform specific operations;

Definition inserted by Finance (No.3) Act 11 of 2014 w.e.f. the year of assessment beginning 1st January, 2015

ZIMRA v Stanbic Bank Zimbabwe Ltd [19-SC-013](#)

“farm improvement” means—

“Farmer” v COT [86-ITC-1424](#)

- (a) any building or structure or work of a permanent nature, including any water furrow, which is used in the carrying on of farming operations, but does not include—
 - (i) any building, structure or work of a permanent nature referred to in paragraph 2 of the *Seventh Schedule*; or
 - (ii) staff housing or any dwelling—

- A. used by the taxpayer as the homestead of himself and his family; or
- B. purchased or constructed after the year of assessment beginning on the **1st April, 1979**;

or

(iii) a tobacco barn;

(b) any permanent building the erection of which was commenced on or after the **1st April, 1988**, used for the purposes of—

(i) a school; or

(ii) a hospital, nursing home or clinic;

in connection with taxpayer's farming operations;

"industrial building"—

(a) means—

(i) any building which contains and is used mainly for the purposes of operating machinery worked by steam, electricity, water or other mechanical power;

(ii) any building which is on the same premises as any other building mentioned in subparagraph (i) and which, in the opinion of the Commissioner, suffers depreciation by reason of the operation of machinery installed in such other building;

(iii) any building which, in the opinion of the Commissioner, suffers depreciation by reason of the use of chemicals, corrosives, furnaces of any description or any other agent directly utilized in the particular trade or industry of which the building forms an integral and essential part;

(iv) any building erected and used mainly for the purpose of carrying out industrial research or scientific experiments into improved or new methods of manufacture;

(v) any building used mainly for a hotel business in respect of which a hotel liquor licence or casino licence, not being a temporary licence, has been issued, and includes ancillary buildings, structures and works of a permanent nature which are, in the opinion of the Commissioner, used mainly in connection with such a business;

(vi) any buildings in use mainly for the storage—

- A. of goods or materials which are to be used by the taxpayer in the manufacture of other goods or materials; or

- B. of goods or materials which are to be subjected by the taxpayer, in the course of a trade, to any manufacturing process; or
- C. of goods or materials which, having been manufactured or subjected by the taxpayer in the course of a trade to any manufacturing process, have not yet been delivered to any purchaser;
- (vii) any building in use mainly for the purposes of a trade which consists in the distribution of hydro-carbon oils by pipeline;
- (viii) any building in use mainly for the purposes of a trade which consists in the manufacture of goods or materials, including any building used for the welfare of workers employed in the trade but excluding any building used mainly as a dwelling-house, retail shop or showroom or for the storage of goods or materials;
- (ix) any works for the prevention of pollution;
- (x) any building erected and used mainly for the purpose of international data capture operations and additionally, or alternatively, for the assembly of computers;
- (xi) any toll-road or toll-bridge declared in terms of the [Toll-roads Act \[Chapter 13:13\]](#);

and

- (b) **includes** any fencing or permanent sealing of the ground area surrounding such building;

“process of manufacture” includes the grading, processing and packing of tobacco and **“manufacture”**, **“manufacturer”** and **“manufacturing process”** shall be construed accordingly;

“railway lines” means the rails, sleepers and equipment pertaining thereto of any railway track but does not include ballast, embankments, bridges, culverts and other railway constructions;

“residential unit” means an apartment, flat, house whether detached, semi-detached or terraced, or similar unit of residential accommodation;

“staff housing” means any permanent building used by the taxpayer for the purposes of his trade wholly or mainly for the housing of his employees, but does not include—

- (a) in the case of any such building the erection of which was commenced before the **1st April, 1984**, any building comprising or incorporating any residential unit the cost of which exceeds **\$5000**; or
- (b) in the case of any such building the erection of which was commenced on or after the 1st April, 1984, but **before the 1st April, 1986**, any

building comprising or incorporating any residential unit the cost of which exceeds **\$8000** ;

- (c) in the case of any such building the erection of which was commenced on or after the 1st April, 1986, but before the **1st April, 1988**, any building comprising or incorporating any residential unit the cost of which exceeds **\$10 000** ;
- (d) in the case of any building the erection of which was commenced on or after the 1st April, 1988, but before the **1st April, 1991**, any building comprising or incorporating any residential unit the cost of which exceeds fifteen thousand dollars;
- (e) in the case of any such building the erection of which was commenced on or after the 1st April, 1991, but before the 1st April, 1992, any building comprising or incorporating any residential unit the cost of which exceeds **\$65000** ;
- (f) in the case of any such building the erection of which was commenced on or after the 1st April, 1992, but before the **1st April, 1995**, any building comprising or incorporating any residential unit the cost of which exceeds **\$ 75 000** ;
- (g) in the case of any such building the erection of which was commenced on or after the 1st April, 1995, but before the **1st January, 1999**, any building comprising or incorporating any residential unit the cost of which exceeds **\$ 100 000** ; or
- (h) in the case of any such building the erection of which was commenced on or after the 1st January 1999, but before the **1st January, 2002**, any building comprising or incorporating any residential unit the cost of which exceeds **\$ 200 000** .

Inserted by Act 17 of 1997 from 1st January 1999; amended by Act 29 of 1998 from 1st January 1999, amended by Act 18/2000 from the 1st January, 2001 and further amended by Act 27 of 2001 from the 1st January, 2002.

- (i) in the case of any such building the erection of which was commenced on or after the 1st January, 2002, but before the **1st January, 2003**, any building comprising or incorporating any residential unit the cost of which exceeds **\$ 500 000** ;

Inserted by Act 27 of 2001 from 1st January, 2002, and amended by Act 15/2002 from 1st January, 2003.

- (j) in the case of any such building the erection of which was commenced on or after the 1st January, 2003, but before the **1st January, 2004**, any building comprising or incorporating any residential unit the cost of which exceeds **\$ 3 million** ;

Inserted by Act 15/2002. from the 1st January, 2003 and amended by Act 10/2003 from the 1st January, 2004.

- (k) in the case of any such building the erection of which was commenced on or after the 1st January, 2004 but before the **1st January, 2005**, any building comprising or incorporating any residential unit the cost of which exceeds **\$ 50 million** ;

Inserted by Act 10/2003 from 1st January, 2004 and amended by Act 29 of 2004 from 1st January, 2005.

- (l) in the case of any such building the erection of which was commenced on or after the 1st January, 2005 but before the **1st January, 2006**, any building comprising or incorporating any residential unit the cost of which exceeds **\$ 270 million**;

Inserted by Act 29 of 2004 from 1st January, 2005 and amended by Act 8 of 2005 from 1st January, 2006.

- (m) in the case of any such building the erection of which was commenced on or after the 1st January, 2006, but before the **1st January, 2007**, any building comprising or incorporating any residential unit the cost of which exceeds **\$ 1 500 000 000**.

Inserted by Act 8 of 2005 from 1st January, 2006, amended by Act 12/2006.

- (n) in the case of any such building the erection of which was commenced on or after the 1st January, 2007, but before the **1st January, 2008**, any building comprising or incorporating any residential unit the cost of which exceeds **\$ 16 million** ;

Inserted by Act 12/2006 from 1st January, 2007, amended by Act 16 of 2007.

- (o) in the case of any such building the erection of which was commenced on or after the 1st January, 2007 but **before the 1st January, 2009**, any building comprising or incorporating any residential unit the cost of which exceeds **\$10.00** or an amount equivalent to **50%** of the cost of constructing the building, whichever is the lesser amount;

Para (o) inserted by Act 16 of 2007 from 1st January, 2008, only to **the 30th September, 2008** – see note under the new para (p) below .

In terms of SI 109/2008 the amount is reduced w.e.f. 1st August, 2008 from \$ 100 billion to the above

–

Period amended w.e.f. the year of assessment beginning on the **1st January, 2009** by Act 3/2009-Editor.

- (p) in the case of any such building the erection of which was commenced on or **after the 1st January, 2008**, any building comprising or incorporating any residential unit the cost of which exceeds **US\$25,000** or an amount equivalent to **50%** of the cost of constructing the building, whichever is the lesser amount;

Para (p) inserted by SI 149/08 w.e.f. the last quarter year of assessment **beginning on the 1st October, 2008** and ending on the 31st December, 2008 – apparently **in conflict with/duplication of**

para (o) above- subject to the monetary limit;
amended by Finance Act 13/2023 w.e.f. 29th December, 2023.

- (q) in the case of any such building the erection of which was commenced on or **after the 1st January, 2009**, any building comprising or incorporating any residential unit the cost of which exceeds ??

Para (?p), inserted with effect from the year of assessment beginning on the **1st January, 2009** by Act 3/2009 with the above US\$ figure amended by Act 13/2019 w.e.f. 31st December, 2019; amount increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020 & by Act 8/2022 w.e.f. 24th October, 2022.

“tobacco barn” means any building used for the curing of tobacco;

“trade training” means any education or training, other than any education or training which is provided as part of the general school education of a pupil, which is intended to train persons to perform work in connection with the trade of the taxpayer or of an associated company or to improve their performance of such work;

“training building” and **“training equipment”**

Repealed by Act 18/2000 w.e.f. 1st January, 2001.

(2)

Repealed by Act 18/2000 from 1st January, 2001.

(3) For the purposes of this *Schedule*, a building shall not be deemed to be used for the purposes of—

- (a) a school; or
- (b) a hospital, nursing home or clinic;

in connection with a taxpayer’s farming operations, unless it is proved to the satisfaction of the Commissioner that, at the relevant time—

- (i) in the case of a school, **more than ½** of the pupils are children of persons employed by the taxpayer in carrying on farming operations;
- (ii) in the case of a hospital, nursing home or clinic, **more than ½** of the persons receiving treatment thereat are employed by the taxpayer in carrying on farming operations or are members of the families of persons who are so employed.

Deduction of special initial allowance

2

If the taxpayer so elects (which election shall be binding) an allowance (hereinafter called **“a special initial allowance”**) in respect of capital expenditure incurred by the taxpayer during the year of assessment on—

- (a) the construction of new farm improvements, industrial building, railway lines, staff housing or tobacco barns; or
- (b) additions or alterations to existing farm improvements, industrial buildings, railway lines, staff housing or tobacco barns; or
- (c) the purchase of articles, implements, machinery or utensils;

used by the taxpayer during such year of the purposes of his trade subject to the conditions mentioned in, and calculated in accordance with, paragraphs 9 and 10:

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Provided that—

special initial allowances on computer software *Zimra v Stanbic Bank Zimbabwe Ltd* [19-SC-013](#)

- (i) if farm improvements, industrial buildings, railway lines, staff housing or tobacco barns are constructed or articles, implements, machinery or utensils are purchased in one year of assessment and first put into use in a later year of assessment, then the special initial allowance shall be allowed in the year of assessment in which such asset is first used;
- (ii) in the case of articles, implements, machinery or utensils, the special initial allowance shall only be allowed if the Commissioner decides, having regard to the use to which such articles, implements, machinery or utensils were put by the taxpayer in the year of assessment in which they were first put into use or the next following year of assessment, that the articles, implements, machinery or utensils were purchased by the taxpayer wholly or almost wholly for the purposes of his trade;

PP v COT [81-ITC-1333](#)

- (iii) the special initial allowance shall not be allowed in respect of articles, implements, machinery or utensils purchased by the taxpayer and leased to another person for use by him unless the taxpayer establishes to the satisfaction of the Commissioner that—

A. at the termination of the period of the lease, he is entitled to the return of the articles, implements, machinery or utensils concerned and no option to purchase or other right in relation to the acquisition or disposal of the articles, implements, machinery or utensils concerned is or will be given to the lessee or any other person; and

B. the articles, implements, machinery or utensils concerned were not purchased by him for the purpose of being leased to a particular person with the intention of giving that person or any other person an option or other right such as is referred to in paragraph A.

(iv) the special initial allowance shall not be allowed in respect of half of the capital expenditure incurred in the purchase of any fiscalised electronic register whose purchase qualifies for relief in terms of [section 15\(3\)\(k\) of the Value Added Tax Act \[Chapter 23:12\]](#).

proviso (iv) inserted by Act 3 of 2010 w.e.f. 1st October, 2010

Deduction of allowance for wear and tear

3

(1) Subject to subparagraph (2), an allowance in respect of—

- (a) commercial buildings, farm improvements, industrial buildings, railway lines, staff housing and tobacco barns acquired or constructed and in both cases used by the taxpayer for the purposes of his trade;
- (b) articles, implements, machinery and utensils belonging to and used by the taxpayer for the purposes of his trade;

the value of which, in either case, has been diminished by reason of wear and tear during the year of assessment, and such allowance shall be subject to, and calculated in accordance with, paragraphs 6 and 10 in the case of commercial buildings, farm improvements, industrial buildings, railway lines, staff housing and tobacco barns, and of paragraphs 7 and 10 in the case of articles, implements, machinery and utensils.

(2) Where any commercial building, farm improvement, industrial building, railway line, staff housing, tobacco barn, article, implement, machinery or utensil has been the subject of an allowance in terms of paragraph 2, no allowance shall be made in terms of subparagraph (1) in respect of that commercial building, farm improvement, industrial building, railway line, staff housing, tobacco barn, article, implement, machinery or utensil for the year of assessment in which the commercial building, farm improvement, industrial building, railway line, staff housing, tobacco barn, article, implement, machinery or utensil, as the case may be, was first used.

Deduction for scrapping allowance

4

An allowance in respect of—

- (a) commercial buildings, farm improvements, industrial buildings, railway lines, staff housing and tobacco barns acquired or constructed and in both cases used by the taxpayer for the purposes of his trade;
- (b) articles, implements, machinery and utensils belonging to and used by the taxpayer for the purposes of his trade;

which have, in either case, been scrapped during the year of assessment and such allowance shall be a sum equivalent to the cost (or, if in any particular case the Commissioner has declared that any lesser amount shall be regarded as the cost for the purposes of this *Schedule* or a similar provision of any previous law, the cost so

declared) to the taxpayer of such commercial buildings, farm improvements, industrial buildings, railway lines, staff housing, tobacco barns, articles, implements, machinery and utensils after deducting from that cost the total amount of any allowances which have at any time been made in terms of paragraphs 2 and 3 or under similar provisions of any previous law and any amount or the value of any advantage accruing to the taxpayer in respect of the sale or other disposal of any such commercial buildings, farm improvements, industrial buildings, railway lines, staff housing, tobacco barns, articles, implements, machinery and utensils:

Provided that if articles, implements, machinery or utensils referred to in this paragraph were used by the taxpayer for the purposes of his trade and for other purposes the allowance shall be reduced by an amount determined by applying the formula—

$$\frac{A \times B}{C}$$

in which—

- A. represents the amount of the allowance which would have been allowed if the articles, implements, machinery or utensils had been used wholly for the purposes of the taxpayer's trade;
- B. represents the amount by which the Commissioner decides the value of the articles, implements, machinery or utensils was diminished by their use for other purposes;
- C. represents the amount by which the value of the articles, implements, machinery or utensils was diminished by their use for purposes of the taxpayer's trade and for other purposes.

Deduction for training investment allowance.

5

Repealed by Act 18/2000 from 1st January, 2001.

Calculation of wear and tear allowances for commercial buildings, farm improvements, industrial buildings, railway lines, staff housing and tobacco barns

6

(1) Subject to subparagraphs (2) and (3), the allowance in terms of paragraph 3 in respect of wear and tear on commercial buildings, farm improvements, industrial buildings, railway lines, staff housing and tobacco barns which have been acquired or constructed by the taxpayer and used for the purposes of his trade shall be—

- (a) in the case of any commercial building, **2.5%** of the cost to the taxpayer of the commercial building allowable in the first year of assessment in which the commercial building is first used and thereafter in subsequent years a sum equal to **2.5%** of such cost;

- (b) in the case of any farm improvement, industrial building, railway line, staff housing or tobacco barn—

GC (Pvt) Ltd v ZIMRA [15-HH-759](#)

- (i) where no allowance has been made in terms of paragraph 2 in respect of the farm improvement, industrial building, railway line, staff housing or tobacco barn concerned, **5%** of the cost to the taxpayer of the farm improvement, industrial building, railway line, staff housing or tobacco barn allowable in the first year of assessment in which the farm improvement, industrial building, railway line, staff housing or tobacco barn, as the case may be, is first used and thereafter in subsequent years a sum equal to **5%** of such cost;
- (ii) where an allowance has been made in terms of paragraph 2 in respect of the farm improvement, industrial building, railway line, staff housing or tobacco barn concerned, **25%** of the cost to the taxpayer of such farm improvement, industrial building, railway line, staff housing or tobacco barn allowable in the year of assessment following that in which the farm improvement, industrial building, railway line, staff housing or tobacco barn was first used, and thereafter in subsequent years a sum equal to **25%** of such cost.

(2) The sum of the allowances that may be made in terms of paragraph 3 in respect of commercial buildings, farm improvements, industrial buildings, railway lines, staff housing or tobacco barns shall not exceed an amount determined by applying the formula—

$$A - (B + C)$$

in which—

A represents the cost to the taxpayer of such commercial buildings, farm improvements, industrial buildings, railway lines, staff housing or tobacco barns;

B represents the amount of the allowance made to the taxpayer in terms of paragraph 2 or any similar provision of a previous law in respect of such farm improvements, industrial buildings, railway lines, staff housing or tobacco barns;

C represents the sum of the allowances made to the taxpayer in terms of any provision of a previous law which is similar to paragraph 3 in respect of such farm improvements industrial buildings, railway lines, staff housing or tobacco barns.

(3) The allowance referred to in subparagraph (1) shall be subject to the following provisions—

- (a) in the case of buildings, structures or works referred to in subparagraph (v) of paragraph (a) of the definition of “**industrial building**” in paragraph 1 acquired or erected prior to the 1st April, 1964, the sum of the allowances

to be made in terms of paragraph 3 shall not exceed an amount determined by applying the formula—

$$D - (E + F)$$

in which—

D represents the cost to the taxpayer of the buildings, structures or works and if, for any reason, such cost cannot be ascertained, such cost shall be deemed to be such sum as the Commissioner may determine;

E represents the sum of the allowances, similar to the allowance referred to in paragraph 3, which, in terms of the previous law, would have been made each year from the time the buildings, structures or works were acquired or erected by the taxpayer up to and including the year of assessment ended the **31st March, 1964**, had the buildings, structures or works, at the time they were acquired or erected, qualified as industrial buildings under the previous law;

F represents the sum of the allowances, similar to the allowance referred to in paragraph 3, which were made to the taxpayer in terms of a previous law for the 3 years of assessment ended the 31st March, 1965, the 31st March, 1966, and the **31st March, 1967**;

- (b) in the case of buildings, structures or works of a permanent nature which have not qualified for the allowance in terms of this Act or a similar allowance in terms of a previous law and which, on or after the date of commencement of this Act, are used by a person for the purposes of his trade as commercial buildings, farm improvements, industrial buildings or railway lines, the sum of the allowances to be made in terms of paragraph 3 shall not exceed an amount determined by applying the formula—

$$G - H$$

in which—

G represents the cost to the taxpayer of such buildings, structures or works and if, for any reason, such cost cannot be ascertained, such cost shall be deemed to be such sum as the Commissioner may determine;

H represents the sum of the allowances, similar to the allowance referred to in paragraph 3, which, in terms of this Act or a previous law, would have been made each year from the time the buildings, structures or works were acquired or erected by the taxpayer, had the buildings, structures or works at the time they were acquired or erected, qualified as commercial buildings, farm improvements, industrial buildings or railway lines.

Calculation of wear and tear allowance for articles, implements, machinery and utensils used for trade

(1) The allowance in terms of paragraph 3 in respect of wear and tear on articles, implements, machinery and utensils belonging to and used by the taxpayer for the purposes of his trade shall be—

U v COT [80-ITC-1323](#)

- (a) where no allowance has been made in terms of paragraph 2 in respect of the articles, implements, machinery or utensils concerned, such sum as the Commissioner thinks reasonable as representing the amount by which the value of such articles, implements, machinery or utensils has been diminished by reason of wear and tear during the year of assessment;
- (b) where an allowance has been made in terms of paragraph 2 in respect of the articles, implements, machinery or utensils concerned, **25%** of the cost to the taxpayer of such articles, implements, machinery or utensils allowable in the year of assessment following that in which the articles, implements, machinery or utensils were first used, and thereafter in subsequent years a sum equal to **25%** of such cost:

Provided that, where a deduction has been allowed under [paragraph \(b\) of subsection \(2\) of section fifteen](#) in respect of such articles, implements, machinery or utensils, the Commissioner may take into consideration the deduction allowed under that paragraph.

(2) For the purpose of this paragraph, the value of articles, implements, machinery and utensils means the cost thereof to the taxpayer at the time they were acquired, but in the case of articles, implements, machinery or utensils which were acquired before the **1st April, 1967**, and which were the subject of a similar allowance under any previous law, the cost thereof shall be reduced by the sums allowed under such previous law and by the amount of any special initial allowance or similar allowance which may also have been made under such previous law.

If any articles, implements, machinery or utensils have been—

- (a) used elsewhere by the taxpayer and transferred to Zimbabwe for use by him in his trade; or
- (b) used by the taxpayer for a purpose other than that of his trade and then used by him in his trade; or
- (c) acquired by the taxpayer without payment of any valuable consideration;

their value shall be deemed to be such amount as the Commissioner may determine.

General provisions relating to calculation of allowances

(1) Whenever a change in the ownership of commercial buildings, farm improvements, industrial buildings, railway lines, staff housing or tobacco barns takes place—

- (a) save as otherwise provided in subparagraph (b) or (c), the transferor and the transferee shall provide the Commissioner with a statement in writing, signed by both, setting out the cost to the transferee of such commercial buildings, farm improvements, industrial buildings, railway lines, staff housing or tobacco barns and if the Commissioner is not satisfied that such cost represents the fair market price thereof, he shall determine the amount which shall be deemed, for the purposes of calculating any allowance in terms of this *Schedule*, to be the cost of such commercial buildings, farm improvements, industrial buildings, railway lines, staff housing or tobacco barns;
- (b) where such commercial buildings, farm improvements, industrial buildings, railway lines, staff housing or tobacco barns formed part of any property which has been sold for a lump sum, the transferor and the transferee shall furnish the Commissioner with a statement in writing, signed by both, setting out details of the allocation of the purchase price to the various classes of the property transferred as required by the Commissioner and if the Commissioner is not satisfied that the sum so allocated to the purchase price of commercial buildings, farm improvements, industrial buildings, railway lines, staff housing or tobacco barns, as the case may be, represents the fair market price thereof, he shall determine the amount which shall be deemed, for the purposes of calculating any allowance in terms of this *Schedule*, to be the cost of such commercial buildings, farm improvement, industrial buildings, railway lines, staff housing or tobacco barns;
- (c) where the ownership was acquired by the taxpayer without payment of any valuable consideration, the cost of such commercial buildings, farm improvements, industrial buildings, railway lines, staff housing or tobacco barns shall be deemed to be such sum as the Commissioner may determine.

(2) Whenever articles, implements, machinery or utensils which have been used for the purposes of a trade are sold, together with other assets, for a lump sum, the transferor and the transferee shall furnish the Commissioner with a statement in writing, signed by both, setting out details of the allocation of the purchase price to the various classes of the assets transferred as required by the Commissioner and if—

- (a) the Commissioner is not satisfied that the sum so allocated to the purchase price of the articles, implements, machinery or utensils, as the case may be, represents the fair market price thereof; or
- (b) no such statement is furnished;

the cost of such articles, implements, machinery or utensils for the purposes of calculating any allowance in terms of this *Schedule*, shall be deemed to be such sum as the Commissioner may determine.

(3) If the ownership of assets referred to in subparagraphs (1) and (2) is transferred—

- (a) in the circumstances described in paragraphs (a), (b) and (c) of proviso (iii) or proviso (v) to [subsection \(3\) of section fifteen](#) from one company, with or without an assessed loss, to another company; or

- (b) from a company, in the course of or in furtherance of a scheme of reconstruction of a group of companies or a merger or other business operation which, in the opinion of the Commissioner, is of a similar nature, to another company under the same control;

GC (Pvt) Ltd v ZIMRA [15-HH-759](#)

the transferor and the transferee may elect that the selling price of the assets, for all purposes of this Act and notwithstanding the terms of any agreement of sale or the provisions of subparagraphs (1) and (2), shall be deemed to be the value of the assets, established in the hands of the transferor as a result of the application of this *Schedule*, at the date of the transfer:

Provided that, where any such asset is sold or otherwise disposed of after the transfer other than to another company under the same control, any amount which would have been included in the gross income of any transferor in terms of paragraph (j) of the definition of “**gross income**” in [subsection \(1\) of section eight](#), had such transferor retained ownership of the asset, shall be included in the gross income of the transferee effecting such sale or disposal.

- (4) If the ownership of assets referred to in subparagraphs (1) and (2) is transferred between spouses, the transferor and the transferee may elect that the selling price of the assets for all purposes of this Act and notwithstanding the terms of any agreement of sale or the provisions of subparagraphs (1) and (2), shall be deemed to be the value of the assets, established in the hands of the transferor as a result of the application of this *Schedule*, at the date of the transfer:

Provided that, where any such asset is subsequently sold or otherwise disposed of to a person who is not the spouse of the transferor, any amount which would have been included in the gross income of any transferor in terms of paragraph (j) of the definition of “gross income” in [subsection \(1\) of section eight](#), had such transferor retained ownership of the asset, shall be included in the gross income of the transferee effecting such sale or disposal.

Rates of special initial allowance

9

The special initial allowance referred to in paragraph 2 shall, if it is allowed in the year of assessment beginning—

- (a) on the 1st April, 1975, be a sum equal to **40%**;
- (b) on the 1st April, 1976, be a sum equal to **70%**;
- (c) on the 1st April, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989 or 1990, be a sum equal to **100%** ;
- (d) on the 1st April, 1991, or the 1st April 1992, be a sum equal to **50%** ;

- (e) on the 1st April, 1993, or any subsequent year of assessment, ending on the 31st December, 2000, be a sum equal to **25%**;

Amended by Act 18/2000 from 1st January, 2001.

of the capital expenditure incurred by the taxpayer on the construction, additions, alterations or purchase, as the case may be.

- (f) on the 1st January, 2001, or any subsequent year of assessment, be a sum equal to **50%**;

Inserted by Act 18/2000 from 1st January, 2001.

- (g) on the **1st January, 2011**, or in any subsequent year of assessment, be a sum equal to **100%** in the case of a taxpayer which is a “**small or medium enterprise**” as defined in section 2B of the charging Act:

Provided that 50% shall be allowed in the first year of assessment in which the taxpayer claims the special initial allowance in terms of this subparagraph, and 25% in each of the next 2 years of assessment following that year;

Para (g) substituted by Act 3 of 2010

- (h) on the **1st January, 2010**, or on any subsequent year of assessment, ending on the **31st December, 2013** be a sum equal to **25%**.

Inserted by the Finance (No.3) Act 10/2009 w.e.f. the year of assessment beginning on the 1st January, 2010.

- (h1) on the 1st January, 2010, or on any subsequent year of assessment, ending on the 31st December, 2013, be a sum equal to **25%**;

- (h2) on the **1st January, 2017**, or on any subsequent year of assessment, be a sum equal to **100%** in the case of a taxpayer which is a “**licensed investor**” as defined in [section two](#);

Provided that **50%** shall be allowed in the first year of assessment in which the taxpayer claims the special initial allowance in terms of this subparagraph, and **25%** in each of the next 2 years of assessment following that year.

Paras (h1) and (h2) inserted by the Finance Act 2 of 2017 gazetted on 23rd March, 2017 backdated to the 1st January, 2017.

- (h3) on the **1st January, 2014**, or on any subsequent year of assessment, be a sum equal to **25%**.

Paras (h3) inserted by Finance Act 7/2021 w.e.f. 31 December, 2021. **The Editor** has renumbered it as para (h) already exists

Hire-purchase agreements relating to articles, implements, machinery and utensils and sales of property under suspense conditions

10

(1) A hire-purchase agreement as defined in the law relating to hire-purchase agreements which relates to articles, implements, machinery, utensils or plant referred to in paragraphs 2, 3 and 4 shall, for the purposes of those paragraphs, be deemed to be an agreement for the sale on credit of those articles, implements, machinery, utensils or plant to the party to the agreement who is the buyer as defined in that law at a price equal to the purchase price fixed in the agreement.

(2) Where there takes place a sale of property under a suspensive condition such sale shall, for the purposes of paragraphs 2, 3 and 4, be deemed to have effected a change of ownership of the property from the date of the sale.

Expenditure on additions or alterations to articles implements, machinery or utensils not owned but used for trade

11

Where a taxpayer incurs any expenditure which is not allowed as a deduction in terms of [paragraph \(a\) of subsection \(2\) of section fifteen](#) on additions or alterations to articles, implements, machinery or utensils which are not owned by him but are used by him for the purposes of his trade, the provisions of paragraphs 2, 3, 4, 7 and 9 shall apply, *mutatis mutandis*, as though—

- (a) the articles, implements, machinery or utensils belonged to the taxpayer; and
- (b) the taxpayer had purchased the articles, implements, machinery or utensils at the time of the additions or alterations for an amount equal to the expenditure incurred by him on such additions or alterations.

Cases in which no deductions to be made in terms of this Schedule

12

In no case shall any allowance be deductible in respect of any buildings, structures or works of a permanent nature other than such allowances as are deductible in terms of paragraphs 2, 3 and 4.

Limitation on cost of farm dwelling

13

For the purposes of paragraphs 3 and 4, the cost of a farm improvement which ranked as a farm dwelling prior to the repeal of the definition thereof with effect from the year of assessment beginning on the **1st April, 1980**, and any additions or alterations thereto shall be deemed to be so much of such costs as does not exceed the sum of **US\$15,000**.

Amount increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020;
& by Act 8/2022 w.e.f. 24th October, 2022;
amended by Act 13/2023 w.e.f. 29th December, 2023.

Limitation on cost of passenger motor vehicle

14

(1) In calculating, for the purpose of paragraphs 2, 3, 4, 7, 9 or 11, the cost of a passenger motor vehicle and any additions or alterations thereto, any amount in excess of—

- (a) twenty-two thousand dollars shall be disregarded, where the vehicle was purchased on or after the 1st April, 1986, but before the 31st March, 1991;
- (b) thirty thousand dollars shall be disregarded, where the vehicle was purchased on or after the 1st April 1991, but before the 1st April, 1992;
- (c) fifty thousand dollars shall be disregarded, where the vehicle was purchased on or after the 1st April, 1992, but before the 1st April, 1995;
- (d) seventy-five thousand dollars shall be disregarded, where the vehicle was purchased on or after the 1st April, 1995, but before the 1st January, 1999;
- (e) two hundred thousand dollars shall be disregarded, where the vehicle was purchased on or after the 1st January 1999, but before the 1st January, 2001.

Inserted by Act 29 of 1998 from the 1 January 1999,
and amended by Act 18/2000 from the 1st January, 2001.

- (f) three hundred thousand dollars shall be disregarded, where the vehicle was purchased on or after the 1st January, 2001, but before the 1st January, 2002.

Inserted by Act 18/2000 from the 1st January, 2001
and further amended by Act 27 of 2001 from the 1st January, 2002.

- (g) five hundred thousand dollars shall be disregarded, where the vehicle was purchased on or after the 1st January, 2002.

Inserted by Act of 2001 from 1st January, 2002.

- (h) one million dollars shall be disregarded, where the vehicle was purchased on or after the 1st January, 2003 but before the 1st January, 2004.

Inserted by Act 15/2002 from 1 January, 2003,
amended by Act 10/2003 from 1 January, 2004.

- (i) ten million dollars shall be disregarded, where the vehicle was purchased on or after the 1st January, 2004 but before the 1st January, 2005.

(i) inserted by Act 10/2003 from 1st January, 2004,
and amended by Act 29 of 2004 from 1st January, 2005.

- (j) fifty million dollars shall be disregarded, where the vehicle was purchased on or after the 1st January, 2005. but before the 1st January, 2006;

Inserted by Act 29 of 2004 from 1st January, 2005,
amended by Act 8 of 2005 from 1st January, 2006.

- (k) one billion dollars shall be disregarded, where the vehicle was purchased on or after the 1st January, 2006 but before the 1st January, 2007;

Inserted by Act 8 of 2005 from 1st January, 2006,
amended by Act 12/2006 from 1st January, 2007.

- (l) ten million dollars shall be disregarded, where the vehicle was purchased on or after the 1st January, 2007, **but before the 1st January, 2009;**

Inserted by Act 12/2006 from 1st January, 2007, amended by Act 16 of 2007 ,and further by Act 3/2009 w.e.f. the year of assessment beginning on the 1st January, 2009.

- (m) **50%** of the cost of acquisition of the vehicle, or **US\$10,000**, whichever is the lesser amount, shall be disregarded, where the vehicle was purchased on or after the 1st January, 2008.

Inserted by Act 16 of 2007 from 1st January, 2008;
amended by Act 13/2023 w.e.f. 29th December, 2023.

- (n) **50%** of the cost of acquisition of the vehicle, or **\$ 6 billion** , whichever is the lesser amount, shall be disregarded, where the vehicle was purchased on or after the 1st January, 2008.

Para (n) inserted by SI 149/08 with effect from the last quarter year of assessment **beginning on the 1st October, 2008** and ending on the 31st December, 2008.

- (?o) **zw \$ 800 000,00** shall be disregarded, where the vehicle was purchased on or after the 1st January, 2009.

new para (to be renumbered ?(o) inserted by Act 3/2009 with effect from the year of assessment beginning on the 1st January, 2009 amended by Act 13/2019 w.e.f. 31st December, 2019;- amount increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020.

(2)

For the purposes of [subsection \(1\)](#)—

“passenger motor vehicle” means any motor vehicle propelled by mechanical or electrical power and intended or adapted for use or capable of being used on roads mainly for the conveyance of passengers, including an estate car, station wagon, van or similar vehicle but excluding any vehicle—

See definition in Section 18 of the **Value Added Tax Regulations** [SI 273/2003](#) — Editor.

- (a) which is used wholly or almost wholly—
 - (i) for the conveyance of passengers for gain; or
 - (ii) by a person operating a hotel for the conveyance of guests; or
- (b) which has seating accommodation for **15 or more passengers**, excluding the driver of the vehicle; or
- (c) which was purchased by the taxpayer for the purpose of being leased to a particular person and has been so leased and where the taxpayer—

- (i) will not be entitled to the return of the vehicle at the expiry of the period of the lease; and
- (ii) has given or is required to give an option to purchase or other right in relation to the acquisition or disposal of the vehicle to the lessee or any other person;

(d)

Repealed by Act 29 of 1998 from the 1st January, 1999.

Maximum amounts allowable in respect of schools, hospitals, nursing homes and clinics

15

(1) The following amounts shall be disregarded in calculating, for the purposes of paragraph 2, 3, 4, 6, 8 or 9, the total cost of any buildings which are used for the purposes of a school, hospital, nursing home or clinic and which rank as farm improvements, and any additions or alterations thereto—

- (a) in respect of **any 1 building** used wholly or mainly for the housing of staff employed at the school, hospital, nursing home or clinic, any amount in excess of—
 - (i) fifteen thousand dollars incurred by the taxpayer, where the expenditure was incurred before the **1st April, 1991**;
 - (ii) thirty thousand dollars incurred by the taxpayer, where the expenditure was incurred on or after the 1st April, 1991, but before the **1st April, 1992**;
 - (iii) thirty-five thousand dollars incurred by the tax payer, where the expenditure was incurred on or after the 1st April, 1992, but before the **1st April, 1995**;
 - (iv) fifty thousand dollars incurred by the taxpayer, where the expenditure was incurred on or after the 1st April, 1995, but before the **1st January, 1999**;
 - (v) one hundred thousand dollars incurred by the taxpayer, where the expenditure was incurred on or after the 1st January, 1999, but before the **1st January, 2001**.

Inserted by Act 17 of 1997 from the 1 January 1999; amended by Act 29 of 1998 from the 1st January 1999 and amended by the Finance Act 18/2000 from the 1st January, 2001

- (vi) one hundred and fifty thousand dollars incurred by the taxpayer, where the expenditure was incurred on or after the 1st January, 2001 but before the **1st January, 2002**;

Inserted by Act 18/2000 from 1st January, 2001, amended by Finance Act No.27 of 2001 from the 1st January, 2002.

- (vii) two hundred and fifty thousand dollars incurred by the taxpayer where the expenditure was incurred on or after the 1st January, 2002, but before the **1st January, 2003**.

subpara (vii) inserted by Act 27 of 2001 from 1st January, 2002, and amended by Act 15/2002 from 1st January, 2003.

- (viii) one million dollars incurred by the taxpayer where the expenditure was incurred on or after the 1st January, 2003 but before the **1st January, 2004**.

Inserted by Act 15/2002 from 1 January, 2003; amended by Act 10/2003 from 1 January, 2004.

- (ix) fifteen million dollars incurred by the taxpayer where the expenditure was incurred on or after the 1st January, 2004 but before the **1st January, 2005**;

Inserted by Act 10/2003 from 1st January, 2004, amended by Act 29 of 2004 from the 1st January, 2005.

- (x) **US\$10 000**.

Inserted by Act 5/2009 w.e.f. 30th September, 2009; amended by Act 8/2022 w.e.f. 24th October, 2022 amended by Act 13/2023 w.e.f. 29th December, 2023.

- (b) in respect of any one such school, hospital, nursing home or clinic, any amount in excess of—

- (i) one hundred thousand dollars incurred by the taxpayer, where the expenditure was incurred before the **1st April, 1993**;
- (ii) two hundred and fifty thousand dollars incurred by the taxpayer, where the expenditure was incurred on or after the 1st April, 1993, but before the **1st April, 1995**;
- (iii) five hundred thousand dollars incurred by the taxpayer, where the expenditure was incurred on or after the 1st April, 1995, but before the **1st January, 1999**;
- (iv) one million five hundred thousand dollars incurred by the taxpayer, where the expenditure was incurred on or after the 1st January 1999, but before the **1st January, 2001**;

(iv) inserted by Act 17 of 1997 from 1st January 1999, amended by Act 29 of 1998 from 1st January 1999, and amended by Act 18/2000 from 1st January, 2001.

- (v) two million two hundred and fifty thousand dollars incurred by the taxpayer, where the expenditure was incurred on or after the 1st January, 2001 but before the **1st January, 2002**;

Inserted by Act 18/2000 from the 1st January, 2001,
and amended by Act 27 of 2001 from 1st January, 2002.

- (vi) three million five hundred thousand dollars incurred by the taxpayer, where the expenditure was incurred on or after the 1st January, 2002, but before the 1st January, 2003.

Inserted by Act 27 of 2001 from 1st January, 2002,
and amended by Act 15/2002 from 1st January, 2003.

- (vii) ten million dollars incurred by the taxpayer where the expenditure was incurred on or after the 1st January, 2003, but before the **1st January, 2004;**

Inserted by Act 15/2002 from 1 January, 2003
and amended by Act 10/2003 from 1 January, 2004.

- (viii) fifty million dollars incurred by the taxpayer, where the expenditure was incurred on or **after the 1st January, 2004.**

Inserted by Act 10/2003 from 1 January, 2004.

- (ix) **US\$10,000.**

Inserted by Act 5/2009 w.e.f. 30th September, 2009;
increased by Act 7/2021 & by Act 8/2022 w.e.f. 24th October, 2022;
and further amended by Act 13/2023 w.e.f. 29th December, 2023.

(2) With effect from the year of assessment beginning on **the 1st January, 2005**, the total cost to the taxpayer of any school, hospital, nursing home, or clinic shall be allowed in calculating for the purposes of paragraph 2, 3, 4, 6, 8 or 9 the total cost of any buildings which rank as farm improvements, and any additions or alterations thereto.

(3) With effect from the year of assessment beginning on the **1st January, 2005**, the total cost to the taxpayer of any one building used wholly or mainly for the housing of staff employed at a school, hospital, nursing home, or clinic shall be disregarded in calculating for the purposes of paragraph 2, 3, 4, 6, 8 or 9 the total cost of any buildings which are used for the purposes of a school, hospital, nursing home, or clinic and which rank as farm improvements, and any additions or alterations thereto.

Subparas (2) and (3) inserted by Act 29 of 2004 from 1st January, 2005.

FIFTH SCHEDULE

[*\(Section 15 \(2\) \(f\)\)*](#)

ALLOWANCES & DEDUCTIONS IN RESPECT OF INCOME FROM **MINING OPERATIONS** & OTHER PROVISIONS RELATING THERETO

Interpretation

1

- (1) In this *Schedule*—

“approved estimated life”, in relation to a mine, means the estimate of the life of the mine determined by a company for the purposes of subparagraph (a) of subparagraph (2) of paragraph 2 or, if the Commissioner does not accept the estimate of the life determined by the company, the estimate of the life of the mine determined by the Commissioner;

“associated company” means a company which controls, is controlled by or is under common control with a taxpayer;

“capital expenditure” means—

- (a) expenditure, in relation to **mining operations** (other than expenditure in respect of which a deduction is allowable in terms of subparagraph (ii) of [paragraph \(f\) of subsection \(2\) of section fifteen](#))—
 - (i) on buildings, works or equipment, including any premium or consideration in the nature of a premium paid for the use of buildings, works, equipment or land, but excluding—
 - A. in the case of a **mine** which is owned, tributed or leased by a company which is under the control of not more than 4 individuals, any expenditure in excess of—

- I. fifteen thousand dollars on a building used mainly as a dwelling by one or more of the individuals who control the company, where the building was erected on or after the first day of the first year of assessment under this Act but before the 1st April, 1991; or
- II. thirty thousand dollars on a building used mainly as a dwelling by one or more of the individuals who control the company, where the building was erected on or after the 1st April, 1991, but before the 1st April, 1992; or
- III. thirty-five thousand dollars on a building used mainly as a dwelling by one or more of the individuals who control the company, where the building was erected on or after the 1st

April, 1992, but before the 1st April, 1995; or

IV. fifty thousand dollars on a building used mainly as a dwelling by one or more of the individuals who control the company, where the building was erected on or after the 1st April, 1995;

(IV) amended by Act 17 of 1997 from 1st January 1999.

V. one hundred thousand dollars on a building used mainly as a dwelling by one or more of the individuals who control the company, where the building was erected on or after the 1st January 1999, but before the 1st January, 2001;

V inserted by Act 17 of 1997 from 1st January 1999, amended by Act 29 of 1998 from 1st January 1999 and amended by Act 18/2000 from the 1st January, 2001.

VI. one hundred and fifty thousand dollars on a building used mainly as a dwelling by one or more of the individuals who control the company, where the building was erected on or after the 1st January, 2001, but before the 1st January, 2002 .

VI inserted by Act 18/2000 from the 1st January, 2001, and amended by Act No.27 of 2001 from 1st January, 2002.

or

VII. two hundred and fifty thousand dollars on a building used mainly as a dwelling by one or more individuals who control the company, where the building was erected on or after the 1st January, 2002, but before the 1st January, 2003.

Inserted by Act 27 of 2001 from 1st January, 2002, and amended by Act 15/2002 from 1st January, 2003.

or

VIII. one million dollars on a building used mainly as a dwelling by one or more individuals who control the company, where the building was

erected on or after the **1st January, 2003.**

Inserted by Act 15/2002 from 1st January, 2003

IX. **zw\$5 million** on a building used mainly as a dwelling by one or more individuals who control the company, where the building was erected on or after the **1st January, 2009.**

Inserted by Act 5/2009 with effect from the 30th September, 2009 and further amended re-designated from US\$ to zw\$ by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019 amended by Act 13/2019 w.e.f. 31st December, 2019; amount increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020; & by Act 8/2022 w.e.f. 24th October, 2022.

B. in the case of a **passenger motor vehicle** as defined in subparagraph (2) of paragraph 14 of the *Fourth Schedule*, any expenditure in excess of—

I. twenty-two thousand dollars, where such motor vehicle was purchased on or after the 1st April, 1986 but before the 1st April, 1991; or

II. thirty thousand dollars, where such motor vehicle was purchased on or after the 1st April, 1991, but before the 1st April, 1992; or

III. fifty thousand dollars, where such motor vehicle was purchased on or after the 1st April, 1992; but before the 1st April, 1995; or

IV. seventy-five thousand dollars, where such motor vehicle was purchased on or after the 1st April, 1995, but before the 1st January 1999; or

IV amended by Act 29 of 1998 from 1 January 1999.

V. two hundred thousand dollars shall be disregarded, where the vehicle was purchased on or after the 1st January 1999, but before the 1st January, 2001; or

Inserted by Act 29 of 1998 from 1 January 1999.

VI. three hundred dollars shall be disregarded, where the vehicle was purchased on or after the 1st January, 2001, but before the 1st January, 2002; or

VI inserted by Act 18/2000 from the 1 January 2001, and amended by Act 27 of 2001 from the 1 January, 2002

VII. five hundred thousand dollars shall be disregarded, where the vehicle was purchased on or after the 1st January, 2002, but before the 1st January, 2003; or

VII inserted by Act 27 of 2001 from 1st January, 2002, amended by Act 15/2002 from 1st January, 2003.

VIII. one million dollars shall be disregarded, where the vehicle was purchased on or after the 1st January, 2003, but **before the 1st January, 2007**; or

VIII inserted by Act 15/2002 from 1st January, 2003 amended by Act 12/2006 from 1st January, 2007.

IX. one million dollars shall be disregarded, where the vehicle was purchased or after the **1st January, 2007**.

IX inserted by Act 12/2006 from 1st January, 2007. The amount of \$10 million is reduced to the above i.t.o. SI 109/2008 w.e.f. 1st August, 2008 –Editor.

X. **zw\$5 million** shall be disregarded, where the vehicle was purchased or after the **1st January, 2009**.

subpara X inserted by Act 5/2009 w.e.f. the 30th September, 2009.
and further amended redesignated from US\$ to zw\$ by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019 amended by Act 13/2019 w.e.f. 31st December, 2019; increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020; & by Act 8/2022 w.e.f. 24th October, 2022.

- (ii) on shaft sinking;
- (iii) incurred prior to the commencement of production or during any period of non-production on **preliminary** surveys, bore-holes, development, general administration and management, including any interest payable on loans utilized for mining purposes;

(b) **expenditure** incurred on or after the **1st April, 1988**, on any **permanent building used** for the purposes of—

- (i) a school; or
- (ii) a hospital, nursing home or clinic;

in connection with the taxpayer's mining operations, to the extent that the expenditure does not exceed—

A. in respect of any building used mainly as a dwelling by **staff** employed at the school, hospital, nursing home or clinic—

I. fifteen thousand dollars, where the expenditure was incurred before the 1st April, 1991; or

II. thirty thousand dollars, where the expenditure was incurred on or after the 1st April, 1991, but before the 1st April, 1992; or

III. thirty-five thousand dollars, where the expenditure was incurred on or after the 1st April, 1992, but before the 1st April, 1995; or

IV. fifty thousand dollars, where the expenditure was incurred on or after the 1st April, 1995, but before the 1st January 1999 ; or

V. one hundred thousand dollars where the expenditure was incurred on or after 1st January 1999, but before the 1st January, 2001; or

V inserted by Act 17 of 1997 from 1 January 1999, amended by Act 29 of 1998 from 1st January 1999 and amended by Act 18/2000 from 1st January, 2001

VI. one hundred and fifty thousand dollars, where the expenditure was incurred on or the 1st January, 2001, but before the 1st January, 2002;or

VI inserted by Act 18/2000 from the 1st January, 2001, and amended by Act No.27 of 2001 from the 1st January, 2002.

VII. two hundred and fifty thousand dollars, where the expenditure was incurred on or after the 1st January,

2002, but before the 1st January, 2003 ;
or

VII inserted by Act 27 of 2001 from 1st January, 2002, amended by Act 15/2002 from 1st January, 2003.

VIII. one million dollars, where the expenditure was incurred on or after the 1st January, 2003;

VIII inserted by Act 15/2002 from 1st January, 2003.

IX. **\$25 million,**.

subpara IX inserted by Act 5/2009 with effect from the 30th September, 2009 and further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019 amended by Act 13/2019 w.e.f. 31st December, 2019; amended by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020; & by Act 8/2022 w.e.f. 24th October, 2022.]

B. in respect of any 1 such school, hospital, nursing home or clinic—

I. one hundred thousand dollars, where the expenditure was incurred before the 1st April, 1993; or

II. two hundred and fifty thousand dollars, where the expenditure was incurred on or after the 1st April, 1993, but before the 1st April, 1995; or

III. five hundred thousand dollars, where the expenditure was incurred on or after the 1st April, 1995, but before the 1st January 1999; or

IV. one million five hundred thousand dollars where the expenditure was incurred on or after the 1st January 1999, but before the 1st January, 2001; or

IV inserted by Act 17 of 1997 from 1st January 1999, amended by Act 29 of 1998 from 1st January 1999 amended by Act 18/2000 from 1st January, 2001.

V. two million two hundred and fifty thousand dollars, where the expenditure was incurred on or the 1st January, 2001, but before the 1st January, 2002; or

V inserted by Act 18/2000 from the 1st January, 2001, amended by Act 27 of 2001 from the 1st January, 2002.

VI. three million five hundred thousand dollars, where the expenditure was incurred on or after the 1st January, 2002, but before the 1st January, 2003; or

VI inserted by Act No.27 of 2001 from 1st January, 2002, and Act 15/2002 from 1st January, 2003.

VII. ten million dollars, where the expenditure was incurred on or after the 1st January, 2003.

VII inserted by Act 15/2002, from 1st January, 2003

VIII. **zw\$ 4 millions**

subpara VIII inserted by Act 5/2009 w.e.f. the 30th September, 2009 and further amended redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019 amended by Act 13/2019 w.e.f. 31st December, 2019 ;increased.] by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020.]

“estimate of the life of the mine” means the number of years not exceeding—

- (a) in the case of a mine operated for the purpose of producing **lead or zinc** or lead and zinc, **10 years**;
- (b) in the case of a mine operated for the purpose of producing **iron**, **5 years**;
- (c) in the case of any other mine, **20 years**;

during which mining operations at the mine may be expected to continue after the beginning of the year of assessment;

“expenditure” means net expenditure after taking into account any refund of, or returns from, expenditure;

“expenditure on equipment” includes—

- (a) expenditure on renewals or replacements of buildings, works or equipment unless such expenditure has been allowed as a deduction in terms of paragraph 6;
- (b) tangible or intangible property in the form of computer software (as defined in paragraph 1 of the *Fourth Schedule*) that is acquired, developed or used by a taxpayer in connection with his or her mining operations;

Definition substituted by Act 13/2019 w.e.f. 31st December, 2019.

“expenditure on shaft sinking” includes the expenditure on sumps, pump chambers, stations and ore bins accessory to a shaft;

“trade training” means any education or training, other than any education or training which is provided as part of the general school education of a pupil,

which is intended to train persons to perform work in connection with the mining operations of the taxpayer or an associated company or to improve their performance of such work;

“training building” means any building the construction of which was commenced on or after the 1st April, 1983, which is erected by the taxpayer and used exclusively for the purpose of providing trade training for persons who are or will be employed by him or an associated company in connection with the taxpayer’s mining operations or those of the associated company;

“training equipment” means new or unused articles, implements, machinery or utensils purchased on or after the 1st April, 1983, and, in the opinion of the Commissioner, used by the taxpayer exclusively for the purpose of providing trade training for persons who are or will be employed by him or an associated company in connection with the taxpayer’s mining operations or those of the associated company.

(2) For the purpose of determining whether the training equipment was used or is being used exclusively by the taxpayer for the purpose of providing trade training for persons who are or will be employed by him or an associated company in connection with the taxpayer’s mining operations or those of the associated company, the Commissioner may have regard to the use to which the equipment was or is being put by the taxpayer in the year of assessment in which it was first put into use in the next following year of assessment.

(3) For the purposes of this *Schedule*, a building shall not be deemed to be used for the purposes of—

(a) a school; or

(b) a hospital, nursing home or clinic;

in connection with a **taxpayer’s mining operations**, unless it is proved to the satisfaction of the Commissioner that, at the relevant time—

(i) in the case of a school, more than $\frac{1}{2}$ of the pupils are children of persons employed by the taxpayer in carrying on mining operations;

(ii) in the case of a hospital, nursing home or clinic, more than $\frac{1}{2}$ of the persons receiving treatment thereat are employed by the taxpayer in carrying on mining operations or are members of the families of persons who are so employed.

Calculation of redemption allowance and unredeemed balance of capital expenditure in the case of mine-owning companies

2

(1) Subject to paragraph 4, there shall be deducted in the year of assessment in respect of income derived by a company from the carrying on of mining operations in a mine of which such company is the owner, an allowance for the redemption of capital expenditure ascertained as follows—

- (a) the balance of unredeemed capital expenditure in respect of that mine at the commencement of the year of assessment, after subtracting therefrom any recoupments from capital expenditure during such year, shall be added to the amount of capital expenditure incurred on that mine during such year;
- (b) the aggregate amount of the sums so added shall be divided by the number of years in the approved estimated life of the mine;
- (c) the quotient resulting from the division shall be the amount to be deducted as aforesaid.

(2)

- (a) The company shall furnish annually to the Commissioner a statement giving an estimate of the life of the mine based on the certified estimates of ore reserves, supported by calculations showing how the estimate is arrived at.
- (b) The annual revision shall not affect any assessment determined or any allowance made or presumed to have been made under this Act or under any previous law.

(3) When separate and distinct mining operations are carried on in mines that are not contiguous, the allowance for redemption of capital expenditure shall be computed separately according to the approved estimated life of each such mine.

(4) The balance of capital expenditure unredeemed at the commencement of the first year of assessment chargeable under this Act shall be the balance determined at the end of the immediately preceding year of assessment in terms of the previous law.

Calculation of redemption allowance in the case of persons other than mine-owning companies

3

(1) Subject to paragraph 4, there shall be deducted for each year of assessment in respect of income derived by—

- (a) a company from the carrying on of mining operations in a mine of which such company is not the owner; or
- (b) any person other than a company from the carrying on of mining operations;
an allowance for the redemption of capital expenditure in such sum as the Commissioner considers to be fair and reasonable:

Provided that where any person referred to in subparagraph (b) who is the owner of a mine furnishes, for any year of assessment, an estimate of the life of the mine, then the amount to be deducted shall be calculated for such year as if paragraph 2 applied to such person.

(2) The balance of capital expenditure unredeemed at the commencement of the first year of assessment chargeable under this Act shall be the balance determined at the end of the immediately preceding year of assessment in terms of the previous law.

Further provisions in regard to capital redemption, allowance

4

(1) Notwithstanding paragraphs 2 and 3, where any person, at the 1st of April, 1967, carried on mining operations in a mine and had, under any previous law, made an election relating to the deduction of current capital expenditure incurred during any year of assessment, the allowance for redemption of capital expenditure shall continue to be calculated in accordance with the terms of the previous law relating to such election.

(2) Notwithstanding paragraphs 2 and 3, any person who carries on mining operations in a mine may elect that the amount to be deducted for each year of assessment in respect of the allowance for the redemption of capital expenditure shall be the aggregate of the amount of capital expenditure incurred by him during such year of assessment in respect of that mine and a proportion of any balance of unredeemed capital expenditure in respect of that mine at the commencement of such year determined as provided in subparagraph (3).

SZ (Pvt) Ltd v Zimra [20-HH-142](#)

(3) The proportion of any balance of unredeemed capital expenditure referred to in subparagraph (2) shall—

(a) be determined by dividing the amount of the balance of such unredeemed capital expenditure by the life of the mine concerned, where the person who makes the election in terms of subparagraph (2) is the owner of the mine concerned and—

(i) complies with subparagraph (2) of paragraph 2; or

(ii) furnishes an estimate of the life of the mine in terms of the proviso to subparagraph (1) of paragraph 3;

(b) be fixed by the Commissioner at such sum as may seem to him to be fair and reasonable, in any case not referred to in subparagraph (a).

(4) Notwithstanding subparagraph (2), a person carrying on mining operations in a new mine, as defined in subparagraph (8), may elect that the amount to be deducted in the year of assessment in which production on the new mine first commences shall be the aggregate of the amount of capital expenditure incurred by him during such year of assessment in respect of the mine and the balance of the unredeemed capital expenditure in respect of the mine at the commencement of such year of assessment.

(5) Any election made in terms of subparagraph (2) shall be binding in respect of all subsequent years of assessment.

(6) Where an election is made under subparagraph (2), recoupments from capital expenditure during the year of assessment shall be deducted from the unredeemed balance of capital expenditure at the commencement of such year and, if there is no such unredeemed balance, then from the capital expenditure incurred during such year.

(7) The balance of capital expenditure unredeemed at the commencement of the first year of assessment chargeable under this Act shall be the balance determined at the end of the immediately preceding year of assessment in terms of the previous law.

(8) For the purpose of subparagraph (4)—

“new mine” means any mining undertaking which, in the opinion of the Commissioner, is an independent workable proposition, whether or not it is operated by a person already carrying on mining operations, and which—

SZ (Pvt) Ltd v Zimra [20-HH-142](#)

- (a) first commenced regular production on or after the 1st April, 1968; or
- (b) having previously been in production—

- (i) had been closed down and has subsequently been reopened;
or

- (ii) had changed ownership and has been reorganized with substantially new development and new plant;

and commenced regular production on or after the **1st April, 1968**.

Allowance for capital expenditure incurred on non-contiguous mine

5

Repealed by Act 18/2000 from the 1 January 2001.

Deduction of expenditure incurred on renewal or replacement of buildings, works or equipment

6

If the taxpayer so elects (which election shall be binding) in respect of income from mining operations, he shall be allowed a deduction of expenditure in relation to those operations, incurred during the year of assessment on any single renewal or replacement of buildings, works or equipment which, together with the accessories thereto, does not exceed in cost **US\$10,000**:

Amended by Act 13/2023 w.e.f. 29th December, 2023.

Provided that in the case of a mine which is owned, tributed or leased by a company under the control of not more than 4 individuals, no expenditure in excess of **US\$1,500** on the renewal or replacement of any building shall be allowed as a deduction if such building is used mainly by any such individual or individuals as a dwelling.

Amended by Act 13/2023 w.e.f. 29th December, 2023.

Deduction for training investment allowance

7

Repealed by Act 18/2000 from 1st January, 2001.

Computation of unredeemed balance of capital expenditure on change of ownership of a mine

(1) Whenever there takes place a change of ownership of a mine, the transferor and the transferee of the mine shall jointly furnish to the Commissioner a statement in writing as to the proportion of the consideration, where consideration is given, or of the value, where no consideration is given, as appertains to such assets the cost of which would rank as capital expenditure.

(2) If the Commissioner is satisfied with such statement, he shall allow the amount so declared to rank as capital expenditure for redemption to the transferee of the mine and such amount shall be deemed to be a recoupment from capital expenditure in the hands of the transferor.

(3) If the Commissioner is not satisfied with the statement furnished by the transferor and transferee, or if no statement has been furnished, the Commissioner may determine the proportion of the consideration given, or of the value where no consideration is given, which shall rank as capital expenditure for redemption in the hands of the transferee. The proportion of the consideration or of the value where no consideration is given so determined shall be deemed to be a recoupment from capital expenditure in the hands of the transferor.

(4) Notwithstanding subparagraphs (1), (2) and (3), where the ownership of a mine is transferred for no valuable consideration from a transferor who has deducted capital expenditure in respect of such mine under subparagraph (1) or (2) of paragraph 4 or the corresponding provisions of any previous law, the amount of capital expenditure to be allowed to rank for redemption in the hands of the transferee shall not exceed the amount of capital expenditure ranking for redemption in the hands of the transferor at the time the transfer is made and such amount shall be deemed to be a recoupment from capital expenditure in the hands of the transferor.

(5) If the ownership of a mine is transferred in the circumstances described in paragraphs (a), (b) and (c) of proviso (iii) to [subsection \(3\) of section fifteen](#) from one company, with or without an assessed loss, to another company, the amount of capital expenditure to be allowed to rank for redemption in the hands of the transferee shall, notwithstanding subparagraphs (1), (2) and (3), be the amount of the capital expenditure ranking for redemption in the hands of the transferor at the time transfer is made which shall be deemed to be a recoupment from capital expenditure in the hands of the transferor.

(6) If a company, in the course of or furtherance of a scheme of reconstruction of a group of companies or a merger or other business operation which, in the opinion of the Commissioner, is of a similar nature, transfers ownership of a mine to another company, the transferor and transferee may elect, notwithstanding the terms of any agreement of sale or the provisions of subparagraphs (1), (2) and (3), that the amount of capital expenditure ranking for redemption in the hands of the transferor at the time transfer is made shall rank as capital expenditure for redemption in the hands of the transferee and be deemed to be a recoupment from capital expenditure in the hands of the transferor.

(7) If the ownership of a mine is transferred between spouses, the transferor and the transferee may elect, notwithstanding the terms of any agreement of sale or the provisions of subparagraphs (1), (2) and (3), that the amount of capital expenditure ranking for redemption in the hands of the transferor at the time transfer is made shall rank as capital

expenditure for redemption in the hands of the transferee and be deemed to be a recoupment from capital expenditure in the hands of the transferor.

Deduction not admissible in respect of income derived from carrying on of mining operations

10

No deduction shall, as regards income derived from the carrying on of mining operations, be made in respect of the allowances or deductions referred to in [paragraphs \(c\), \(d\), \(e\) and \(t\) of subsection \(2\) of section fifteen](#).

SIXTH SCHEDULE

[\(Section 15 \(2\) \(h\)\)](#)

DEDUCTIONS IN RESPECT OF CONTRIBUTIONS TO BENEFIT & PENSION FUNDS & THE CONSOLIDATED REVENUE FUND

PART I

PRELIMINARY

Interpretation of terms

TREATMENT OF PENSION CONTRIBUTIONS FOR THE PURPOSES OF THIS SCHEDULE

If a pension contribution in terms of the Sixth Schedule was paid in each of the deemed years of assessment ending on the 31st August and 31st December, **2006**, the pension contributions shall, for the purposes of that Schedule, be aggregated and treated as if they were a single pension contribution paid in a single year of assessment consisting of 12 months ending on the **31st December, 2006**.

Inserted by Act 6 of 2006 gazetted on the 1st September, 2006.

1

In this *Schedule*—

“amended pensions law”, in relation to an officer, means a pensions law of Zimbabwe in force before the 1st July, 1960, the provisions of which have been amended or re-enacted on or after that date to provide for an increase in the ordinary contributions to be made to the Consolidated Revenue Fund by the officer or the State or the officer and the State with the object of increasing the amount of the pension payable to the officer and **“unamended”**, when used in relation to a pensions law, and **“unamended or re-enacted”**, when used in relation to the provisions of a pensions law, shall be construed accordingly;

“annual emoluments”, in relation to a member of a benefit or pension fund, other than a retirement annuity fund, or an officer, means—

- (a) so much of the emoluments of the member or officer in the year of assessment as are emoluments for the purposes of calculating the amount of ordinary contributions to the fund or the Consolidated Revenue Fund, as the case may be;

or

- (b) such sum, exceeding the amount of his emoluments referred to in paragraph (a), as the Commissioner may, in the case of the member or officer, fix;

or

- (c) where the member is a member of a partnership, the taxable income of the member from the partnership;

“employer”, in relation to a member of a benefit or pension fund who is a member of a partnership, means the partnership;

“fund with changed rules”, in relation to a member of a pension fund, means a pension fund, other than a retirement annuity fund, established before the 1st July, 1960, the rules of which have been changed on or after that date to provide for an increase in the ordinary contributions to be made by the member or the employer of the member or the member and the employer of the member with the object of increasing the amount of the pension or other benefit payable to the member and **“unchanged”**, when used in relation to the rules of the pension fund, shall be construed according;

“lump sum contribution to a pension fund by an employer” means a contribution (other than an ordinary contribution) by an employer to a pension fund which, in the opinion of the Commissioner, is made for the purpose of ensuring that the moneys in the fund are sufficient to meet all payments to be made in terms of the rules of the fund;

“new fund” means a pension fund, other than a retirement annuity fund, established on or after the 1st July, 1960, but does not include any pension fund established by a statutory corporation which is a successor corporation to a statutory corporation which has been dislodged in pursuance of the dissolution of the former Federation and which had established a fund before 1st July, 1960;

“officer” means a person to whom the provisions of a pensions law of Zimbabwe apply;

“ordinary contribution”, in relation to—

- (a) a member of a pension fund or an officer, means a contribution to the fund or the Consolidated Revenue Fund, as the case may be, which—
 - (i) is not an arrear contribution; and
 - (ii) is made by or in connection with the member or the officer, as the case may be; and
 - (iii) is not refundable to the contributor; and

- (iv) is required to be made at intervals fixed by the rules of the fund or at a rate and at intervals fixed by a pensions law of Zimbabwe, as the case may be; and
- (v) is calculated on annual emoluments of a contributor which are included in his gross income;
- (b) a member of a benefit fund, means a contribution to the fund which—
 - (i) is not an arrear contribution; and
 - (ii) is made by or in connection with the member;

“pensions law of Zimbabwe” means a law of Zimbabwe, the provisions of which require a person in the service of the State to contribute to the Consolidated Revenue Fund for the purpose of securing a pension for himself, his widow or children;

PART II
 AMOUNTS ALLOWABLE AS DEDUCTIONS IN RESPECT OF
ORDINARY CONTRIBUTIONS BY EMPLOYERS OF MEMBERS OF 1 BENEFIT FUND
Application of Part II

2

This Part shall, subject to subparagraph (1) of paragraph 5, not apply to ordinary contributions to a benefit fund by an employer of a member of the fund in connection with whom the employer makes ordinary contributions to some other benefit fund.

Employers of members of benefit funds who became members before the 1st April, 1958

3

The amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment by an employer of a member of a benefit fund who became a member of the fund before the 1st April, 1958, shall be an amount equal to the amount of those contributions.

Employers of members of benefit funds who became members on or after the 1st April, 1958

4

The amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment by an employer of a member of a benefit fund who became a member of the fund on or after the **1st April, 1958**, shall be an amount equal to—

- (a) the amount of those contributions; or
- (b) **US\$1,500;**

whichever is the lesser amount.

Amended by Act 13/2023 w.e.f. 29th December, 2023.

PART III

AMOUNTS ALLOWABLE AS DEDUCTIONS IN RESPECT OF ORDINARY CONTRIBUTIONS BY EMPLOYERS OF MEMBERS OF 2 OR MORE BENEFIT FUNDS

5

- (1) For the purposes of this paragraph, ordinary contributions to two or more benefit funds by an employer of a member of the fund who became a member of the funds on or after **1st April, 1958**, shall be deemed to be ordinary contributors to one and the same fund.
- (2) The amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment by an employer of a member of a benefit fund in relation to whom the employer makes ordinary contributions to some other benefit fund shall be an amount equal to the sum of the amounts which, in terms of Part II, would, but for paragraph 2, have been allowable to the employer as a deduction in respect of his ordinary contributions to each of those funds.

PART IV

AMOUNTS ALLOWABLE AS DEDUCTIONS IN RESPECT OF LUMP SUM CONTRIBUTIONS TO PENSION FUNDS BY EMPLOYERS

6

Any lump sum contribution to a pension fund by an employer shall be allowed as a deduction:

Provided that—

- (i) the Commissioner may direct that the lump sum contribution shall be treated as an expense to be spread over such period of years as the Commissioner may determine;
- (ii) where the Commissioner has, in terms of any previous law, directed that a lump sum or similar contribution shall be so treated, any balance of the contribution which has not been allowed as a deduction shall be carried forward and allowed as a deduction in terms of this paragraph.

PART V

AMOUNTS ALLOWABLE AS DEDUCTIONS IN RESPECT OF ORDINARY CONTRIBUTIONS BY EMPLOYERS OF MEMBERS OF ONE PENSION FUND

Application of Part V

7

This Part shall, subject to subparagraph (1) of paragraph 11, not apply to ordinary contributions to a pension fund by an employer of a member of the fund in connection with whom the employer makes ordinary contributions to some other pension fund.

Employers of members of funds with unchanged rules who became members before the 1st July, 1960

8

The amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment by an employer of a member of a fund with unchanged rules who became a

member of the fund before the 1st July, 1960, shall be an amount equal to the amount of those ordinary contributions.

Employers of members of funds with changed rules who became members before the 1st July, 1960

9

The amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment by an employer of a member of a fund with changed rules who became a member of the fund before the **1st July, 1960**, shall—

- (a) if the amount of those contributions exceeds—
 - (i) the amount of the ordinary contributions which would have been allowed as a deduction in the year of assessment had the rules of the fund remained unchanged; or
 - (ii) the amount of the ordinary contributions which would have been allowed as a deduction in the year of assessment had the member become a member of the fund on or after the 1st July, 1960;be an amount equal to so much of those contributions as does not exceed the greater of the amounts referred to in subparagraphs (i) and (ii); and
- (b) if the amount of those contributions does not exceed one or other of the amounts referred to in subparagraphs (i) and (ii) of subparagraph (a), be an amount equal to the amount of those contributions.

Employers of members of new funds and members of funds with changed or unchanged rules who became members on or after the 1st July, 1960

10

The amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment by an employer of a member of a new fund or a member of a fund with changed or unchanged rules who became a member of the fund on or after the 1st July, 1960, shall be an amount equal to—

- (a) the amount of those contributions; or
 - (b) **US\$5,400;**
- whichever is the lesser amount.

Amended by Act 13/2023 w.e.f. 29th December, 2023.

PART VI

AMOUNTS ALLOWABLE AS DEDUCTIONS IN RESPECT OF ORDINARY CONTRIBUTIONS BY EMPLOYERS OF MEMBERS OF 2 OR MORE PENSION FUNDS

11

(1) For the purposes of this paragraph, ordinary contributions to 2 or more new funds by an employer of a member of the funds shall be determined to be ordinary contributions to one and the same fund.

(2) The amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment by an employer of a member of a pension fund in relation to whom the employer makes ordinary contributions to some other pension fund shall be an amount equal to the sum of the amounts which, in terms of Part V, would, but for paragraph 7, have been allowable to the employer as a deduction in respect of his ordinary contributions to each of those funds.

PART VII

AMOUNTS ALLOWABLE AS DEDUCTIONS IN RESPECT OF ORDINARY CONTRIBUTIONS TO ONE PENSION FUND OR CONSOLIDATED REVENUE FUND BY MEMBERS & OFFICIALS WHO ARE **UNMARRIED** OR WHOSE SPOUSES ARE NOT MEMBERS OF PENSION FUNDS OR OFFICERS

Application for Part VII

12

The provisions of this Part shall not apply to ordinary contributions by—

- (a) a member of a pension fund who is also a member of some other pension fund; or
- (b) an officer who is also a member of a pension fund.

*Members of funds **with unchanged rules** who became members before the 1st July, 1960:
Officers to whom an unamended pensions law applied before the 1st July, 1960*

13

The amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment to a fund with unchanged rules by a member of the fund who became a member of the fund before the 1st July, 1960, or to the Consolidated Revenue Fund by an officer to whom an unamended pensions law of Zimbabwe applied before the 1st July, 1960, shall be an amount equal to the amount of those contributions.

*Members of funds **with changed rules** who became members **before the 1st July, 1960**:
Officers to whom an amended pensions law applied before the 1st July, 1960*

14

The amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment to a fund with changed rules by a member of the fund who became a member of the fund before the 1st July, 1960, or to the Consolidated Revenue Fund by an officer to whom an amended pensions law of Zimbabwe applied before the 1st July, 1960, shall be—

- (a) if the amount in respect of ordinary contributions which would have been allowed as a deduction had the rules of the fund remained unchanged or the provisions of the amended pensions law not been amended or re-enacted, as the case may be, exceeds **US\$54,00**, be an amount equal to the amount in respect of ordinary contributions which would have been so allowed as a deduction;

Amended by Act 13/2023 w.e.f. 29th December, 2023.

- (b) if the amount in respect of ordinary contributions which would have been allowed as a deduction had the rules of the fund remained unchanged or the amended pensions law not been amended or re-enacted, as the case may be, does not exceed **US\$5,400**, be an amount equal to so much of his ordinary contributions as does not exceed **US\$5,400**.

Amended by Act 13/2023 w.e.f. 29th December, 2023.

Members of new funds: *Members of funds with changed or unchanged rules who became members on or after the 1st July, 1960: Officers to whom a pensions law did not apply before the 1st July, 1960*

15

The amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment to a new fund by a member of the fund or to a fund with changed or unchanged rules by a member of the fund who became a member of the fund on or after 1st July, 1960, or to the Consolidated Revenue Fund by an officer to whom a pensions law of Zimbabwe did not apply before the **1st July, 1960**, shall be an amount equal to—

- (a) so much of those contributions as do not exceed **7.5%** of the member's annual emoluments; or
- (b) **US\$5,400**;
- whichever is the lesser amount.

Amended by Act 13/2023 w.e.f. 29th December, 2023.

Members of retirement annuity funds

16

The amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment to a retirement annuity fund by a member of the fund shall be an amount equal to—

- (a) so much of those contributions as do not exceed **7.5%** of the member's annual emoluments; or
- (b) **US\$5,400**;
- whichever is the lesser amount.

Amended by Act 13/2023 w.e.f. 29th December, 2023.

PART VIII

AMOUNTS ALLOWABLE AS DEDUCTIONS IN RESPECT OF ORDINARY CONTRIBUTIONS TO TWO OR MORE PENSION FUNDS OR ONE OR MORE PENSION FUNDS AND CONSOLIDATED REVENUE FUND BY MEMBERS AND OFFICERS WHO ARE **UNMARRIED** OR WHOSE SPOUSES ARE NOT MEMBERS OF PENSION FUNDS OR OFFICERS

Members of two or more pension funds *who became members of the funds or one or more of the funds before the 1st July, 1960, and who are unmarried or whose spouses are not*

members of pension funds or officers: Officers who are members of one or more pension funds who became officers or members of the fund or funds before the 1st July, 1960, and who are unmarried or whose spouses are not members of pension funds

17

(1) For the purposes of this paragraph, the Consolidated Revenue Fund to which ordinary contributions are made shall be deemed to be a pension fund of which—

- (a) an officer to whom a pensions law of Zimbabwe applied before the 1st July, 1960, shall be deemed to have become a member before the 1st July, 1960; and
- (b) an officer to whom a pensions law of Zimbabwe did not apply before the 1st July, 1960, shall be deemed to have become a member on or after the 1st July, 1960.

(2) The amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment by a member of 2 or more pension funds who became a member of the funds or one or more of the funds before the 1st July, 1960, shall—

- (a) if the sum of the amounts or the amount which, in terms of paragraphs 13 and 14 or, as the case may be, paragraph 13 or 14, would, but for paragraph 12, have been allowable as a deduction in respect of ordinary contributions to the funds or fund, of which became a member before the 1st July, 1960, exceeds **US\$5,400** be an amount equal to the sum of the amounts or the amount referred to in this subparagraph;

Amended by Act 13/2023 w.e.f. 29th December, 2023.

- (b) if the sum of the amounts or the amount referred to in subparagraph (a) does not exceed **US\$5,400** be an amount equal to—

Amended by Act 13/2023 w.e.f. 29th December, 2023.

- (i) the sum of the amounts or the amount referred to in subparagraph (a); and
- (ii) so much of the sum of the amounts, if any, or the amount, if any, which, in terms of paragraphs 15 and 16 or, as the case may be, paragraph 15 or 16, would, but for paragraph 12, have been allowable as a deduction in respect of ordinary contributions to the funds or fund of which he became a member on or after the 1st July, 1960, as does not exceed the difference between—

A. **US\$,700;** and

B. the sum of the amounts or the amount referred to in subparagraph (a):

[A.

amended by Act 27 of 2001 from 1st January, 2002, by Act 15/2002 from 1 January, 2003 and by Act

10/2003 from 1 January, 2004 - by Act 10/2003 from 1st January, 2004 by Act 29 of 2004 from 1st January, 2005 - corrected by the Law Reviser 2004, by Act 8 of 2005 from 1st January, 2006, by Act 12/2006 from 1st January, 2007, and by Act 16 of 2006 from 1st January, 2008. The amount of \$ 5 750 000 was reduced by SI 109/2008 to **\$ 0.0005** w.e.f. 1st August, 2008, and then increased to the above amount by SI 149/08 w.e.f. 1st October, 2008 – in apparent contravention of Section 3(2) of the Finance Act, US\$1800 amount substituted by Act 3/2009 with effect from the **1st February, 2009** in the year of assessment beginning on the 1st January, 2009- Increased to the above amount by the Finance (No.3) Act 10/2009 w.e.f. 1st January, 2010 amended by Act 13/2019 w.e.f. 31st December, 2019; increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020; & by Act 8/2022 w.e.f. 24th October, 2022.

Provided that if all the pension funds of which he is a member are retirement annuity funds, the amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment shall be an amount equal to—

- (a) the sum of the amounts of those contributions; or
- (b) **US\$5,400;**

whichever is the lesser amount.

Amended by Act 13/2023 w.e.f. 29th December, 2023.

Members of two or more pension funds who did not become members of the funds before the 1st July, 1960, and who are unmarried or whose spouses are not members of pension funds or officers: Officers who are members of one or more pension funds who did not become officers or members of the fund or funds before the 1st July, 1960, and who are unmarried or whose spouses are not members of pension funds

18

(1) For the purposes of this paragraph, the Consolidated Revenue Fund to which ordinary contributions are made shall be deemed to be a pension fund of which an officer to whom a pensions law of Zimbabwe did not apply before the 1st July, 1960, shall be deemed to have become a member on or after the 1st July, 1960.

(2) The amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment by a member of 2 or more pension funds who became a member of the funds on or after the **1st July, 1960**, shall be an amount equal to so much as does not exceed **US\$5,400** of the sum of the amounts which, in terms of paragraphs 15 and 16 or, as the case may be, paragraph 15 or 16 would, but for the provisions of paragraph 12, have been allowable as a deduction in respect of his ordinary contributions to the funds:

Amended by Act 13/2023 w.e.f. 29th December, 2023.

Provided that if all the pension funds of which he is a member are retirement annuity funds, the amount to be allowed as a deduction in respect of ordinary contributions in the year of assessment shall be an amount equal to—

- (a) the sum of the amounts of those contributions; or
- (b) **US\$2,700;**

whichever is the lesser amount.

Amended by Act 13/2023 w.e.f. 29th December, 2023.

If a pension or other benefit in terms of the *Sixth Schedule* to this Act was paid in each of the years of assessment ending on the 31st August and 31st December, 2005, the pensions or benefits shall, for the purposes of this Schedule, be aggregated and treated as if they were a single pension or benefit paid in a single year of assessment consisting of 12 months ending on the **31st December, 2005**.

Inserted by section 13 of Act 8 of 2005 from 30th December, 2005, and adapted by the Editor.

PART IX

CHANGE OF MEMBERSHIP OF A PENSION FUND AS A RESULT OF DISSOLUTION OF FORMER FEDERATION

19

For the purposes of Parts VII, VIII and IX of this *Schedule*, any person who before the 1st July, 1960, was a member of the pension fund of the Government of the former Federation and who as a result of the dissolution of the former Federation is required to contribute to the Consolidated Revenue Fund, or any person who before the **1st July, 1960**, was a member of the pension fund of a statutory corporation and who as a result of the dissolution of the former Federation has become a member of the pension fund of a successor corporation, shall be deemed to have commenced contributions to the Consolidated Revenue Fund or to the pension fund of the successor corporation, as the case may be, before the 1st July, 1960.

SEVENTH SCHEDULE

[*\(Section 15 \(2\) \(z\)\)*](#)

DEDUCTIONS IN RESPECT OF INCOME DERIVED FROM FARMING OPERATIONS & OTHER PROVISIONS RELATING THERETO

Interpretation

“Farmer” v COT [86-ITC-1424](#)

1

In this Schedule—

“**drought-stricken area**” means any area of Zimbabwe which is seriously affected by drought and which the Minister declares in a statutory instrument shall be treated as a drought-stricken area for the purposes of this *Schedule*;

“**epidemic area**” means any area of Zimbabwe which is affected by an epidemic disease of livestock and which the Minister declares in a statutory instrument shall be treated as an epidemic area for the purposes of this *Schedule*;

Epidemic-stricken Areas and Period of Epidemic) Notice, 2019. [SI 164/2019](#).

“expenditure incurred”, in relation to the cost of any work done by any other person for which a farmer has become liable in terms of the *Natural Resources Act

*replaced by the [Environmental Management Act \[Chapter 20:27\]](#) – Editor

means the amounts actually paid by him during the year of assessment in respect of such costs;

“fencing” means—

- (a) fencing erected by the taxpayer and used in the carrying on of farming operations; and
- (b) fencing erected by any other person for part of the cost of which a farmer has become liable in terms of the [Fencing Act \[Chapter 20:06\]](#), and which is used in the carrying on of farming operations;

“grazer” means any livestock which a farmer, in terms of a contract with the owner of the livestock, has in his possession and for which he has assumed responsibility for the grazing and management thereof;

“livestock” includes cattle, sheep, goats, pigs, crocodiles, ostriches, fowls and any other animals or birds that are raised or possessed by a farmer as livestock in the course of his farming operations;

“period”, in relation to—

- (a) a drought, means the period specified by the Minister in the statutory instrument referred to in the definition of “drought-stricken area”; or
- (b) an epidemic disease of livestock, means the period specified by the Minister in the statutory instrument referred to in the definition of “epidemic area”;

as the period during which the area concerned shall be treated as a drought-stricken area or an epidemic area, as the case may be, for the purposes of this *Schedule*;

“water conservation work” means any reservoir, weir, dam or embankment constructed for the impounding of water.

Special deductions applicable to farmers

2

Notwithstanding anything contained in this Act, a farmer shall be entitled to deduct any expenditure incurred by him during the year of assessment on—

“Farmer” v COT [86-ITC-1424](#)

- (a) the stumping and clearing of lands;
- (b) works for the prevention of soil erosion;

- (c) the sinking of boreholes and wells;
- (d) aerial and geophysical surveys;
- (e) any water conservation work and any amounts paid by him towards the cost of any water conservation work done by any other person for which such farmer has become liable in terms of the [Natural Resources Act \[Chapter 20:13\]](#);

Editor's Note – This Act was repealed by [Section 143 of the Environmental Management Act \[Chapter 20:27\]](#) with savings , from the 17th March, 2003

- (f) fencing.

Determination of taxable income or assessed loss from growing of timber

3

(1) Any farmer who grows timber for the purpose of deriving income therefrom may elect that the following rules shall apply in the determination of the taxable income or the assessed loss, as the case may be, in respect of such operation—

- (a) the cost of planting the timber shall be carried forward until such time as the timber has reached maturity;
- (b) to the cost of planting mentioned in subparagraph (a) there shall be added annually until the timber has reached maturity an amount (hereinafter called 'the fixed percentage') equal to **5%** of such cost;
- (c) whenever timber which has been grown by such farmer is sold, there shall be deducted from the proceeds of such sale a proportionate part of the sum of the cost of planting and the total of the fixed percentage added annually, and the remaining amount shall be included in the taxable income or the assessed loss, as the case may be, of such farmer;
- (d) there shall be added to the taxable income or deduction from the assessed loss, as the case may be, of such farmer in each year of assessment the amount of the annual fixed percentage determined under subparagraph (b);
- (e) there shall be deducted from the taxable income or added to the assessed loss, as the case may be, of such farmer all expenditure (including deductions made under [paragraphs \(c\), \(d\) and \(e\) of subsection \(2\) of section fifteen](#)) incurred on the maintenance and upkeep of such timber;
- (f) any election made in terms of this paragraph shall be binding in respect of all subsequent years of assessment and may be made only in respect of timber planted after the **1st April, 1950**:

Provided that an election made in terms of the similar provisions of a previous law shall be deemed to have been made in terms of this Act.

(2) For the purposes of the first year of assessment under this Act, the opening value of any timber to which this paragraph applies shall be deemed to be the closing value in the last year of assessment under the previous law.

Determination of taxable income or assessed loss from orchards or vineyards

4

(1) Any farmer who is engaged in fruit-growing or viticulture for the purpose of deriving income therefrom may elect that the following rules shall apply in the determination of the taxable income or the assessed loss, as the case may be, in respect of such operations—

- (a) expenditure incurred in connection with **orchards or vineyards** such as is referred to in paragraph 2 and any allowance in respect of orchards or vineyards which are deductible in terms of [paragraph \(c\) of subsection \(2\) of section fifteen](#) shall be deducted from the taxable income or added to the assessed loss, as the case may be, of such farmer;
- (b) all other expenditure or allowances deductible in terms of [subsection \(2\) of section fifteen](#) and expenditure incurred in the planting and upkeep of orchards and vineyards shall be carried forward until such time as they become productive;
- (c) the farmer shall submit to the Commissioner in the year of assessment in which an orchard or vineyard becomes productive an estimate of the number of years during which the orchard or vineyard may be expected to remain productive and the Commissioner may either accept that estimate or himself determine the number of years during which the orchard or vineyard may be expected to remain productive;
- (d) after an orchard or vineyard becomes productive the total amount of expenditure carried forward in terms of subparagraph (b) shall be divided by the number of years accepted or, as the case may be, determined by the Commissioner in terms of years accepted or, as the case may be, determined by the Commissioner in terms of subparagraph (c) and a sum equal to the amount resulting shall be deducted in equal annual instalments from the taxable income or added to the assessed loss, as the case may be, until the total amount of the expenditure carried forward in terms of subparagraph (b) has been allowed as a deduction;
- (e) no deduction from taxable income or addition to an assessed loss shall be made after the farmer has, in the opinion of the Commissioner, ceased to keep up an orchard or vineyard in respect of which expenditure carried forward in terms of subparagraph (b) was incurred;
- (f) if part of an orchard or vineyard is uprooted and replanted, whether before or after the orchard or vineyard has become productive—
 - (i) the amount of the balance of expenditure in respect of that part of the orchard or vineyard carried forward in terms of subparagraph (b), which is still to be deducted or added in terms of subparagraph (d), may be

deducted or added in the year of assessment in which the uprooting takes place; and

(ii) the part so uprooted and replanted shall be treated as a new orchard or vineyard for the purposes of the provisions of this paragraph relating to expenditure incurred in the planting and upkeep of orchards and vineyards;

(g) if—

(i) the ownership of an orchard or vineyard is transferred for valuable consideration; and

(ii) the transferor has elected that this paragraph shall apply;

the transferor and transferee shall jointly submit to the Commissioner a statement in writing showing the amount of the consideration and the proportion of that amount which is attributable to the cost of planting and upkeep referred to in subparagraph (b);

(h) if no statement is submitted in terms of subparagraph (g) or if the Commissioner is not satisfied with a statement submitted in terms of that subparagraph, the Commissioner may determine the proportion of the consideration for the transfer of an orchard or vineyard which is attributable to the cost of planting and upkeep referred to in subparagraph (b);

(i) the amount by which the proportion of the consideration for the transfer of an orchard or vineyard shown in a statement referred to in subparagraph (g) or, as the case may be, determined in terms of subparagraph (h) exceeds the amount of the balance of expenditure carried forward in terms of subparagraph (b) which is still to be deducted or added in terms of subparagraph (d) shall, subject to subparagraph (j)—

(i) be deemed to be a recoupment in the hands of the transferor; and

(ii) be added to the taxable income or, as the case may be, deducted from the assessed loss of the transferor;

(j) the amount to be deducted from the assessed loss or added to the taxable income of a transferor in terms of subparagraph (i) shall not exceed the total amount of the sums deducted or added in terms of subparagraph (d);

(k) an election made by a farmer in terms of his paragraph shall be irrevocable:

Provided that an election made in terms of the similar provisions of a previous law shall be deemed to have been made in terms of this Act.

(2) Subparagraph (1) shall not apply to orchards or vineyards established before the **1st April, 1956**.

Assessment of income when drought conditions or epidemic disease enforce sales of livestock

(1) If a farmer who raises or possesses livestock in a drought-stricken area or an epidemic area is driven by stress of the drought conditions or the epidemic disease, as the case may be, to dispose of his livestock during the period of the drought or the epidemic disease, he may elect to allocate the taxable income derived from the disposal of the livestock equally between the year of assessment in which he disposes of the livestock and each of the next 2 following years of assessment, and if he so elects he shall be assessed to tax accordingly:

Provided that if, in the year of assessment in which he so disposes of the livestock, his taxable income derived from the disposal exceeds his total taxable income determined in accordance with this Act before the provisions of this paragraph are applied, he may elect that his total taxable income, determined in accordance with this Act before the provisions of this paragraph are applied, shall be allocated equally between that year of assessment and each of the next 2 following years of assessment, and if he so elects he shall be assessed to tax accordingly.

(2) An election made in terms of subparagraph (1) shall be irrevocable.

(3) For the purposes of subparagraph (1), where a farmer returns grazers to their owner, he shall be deemed to have disposed of them.

Assessment of income when compulsory acquisition of farm necessitates sale of livestock.

5A

(1) If it becomes necessary for a farmer to dispose of his livestock because any farm or part of a farm belonging to the farmer has been compulsorily acquired for resettlement purposes in terms of the [Land Acquisition Act \[Chapter 20:10\]](#), he may elect to allocate the taxable income derived from the disposal of the livestock equally between the year of assessment in which he disposes of the livestock and each of the next 2 following years of assessment, and if he so elects he shall be assessed to tax accordingly:

Provided that if, in the year of assessment in which he so disposes of the livestock, his taxable income derived from the disposal exceeds his total taxable income determined in accordance with this Act before the provisions of this paragraph are applied, he may elect that his total taxable income, determined in accordance with this Act before the provisions of this paragraph are applied, shall be allocated equally between that year of assessment and each on the next 2 following years of assessment, and if he so elects he shall be assessed to tax accordingly.

(2) An election made in terms of subparagraph (1) shall be irrevocable.

(3) For the purposes of subparagraph (1), where a farmer returns grazers to their owner, he shall be deemed to have disposed of them.

Section 5A inserted by section 22 of Act 18/2000 from the 1st January, 2001

Additional allowance in respect of cost of restocking herd depleted by drought

6

There shall be admissible as a deduction in the determination of the taxable income or the assessed loss of any farmer who raises or possesses livestock in a drought-stricken area or an epidemic area during any year of assessment an allowance of an amount equal to **50%** of the cost to him of any livestock purchased in that year of assessment in order to restock a herd depleted during the period of the drought or the epidemic disease, as the case may be, by death or enforced disposal as a result of the drought or the epidemic disease:

Provided that if the number of livestock so purchased exceeds the difference between the assessed carrying capacity of the land on which the farmer engaged in raising livestock carried on such occupation, as determined by the Department of Agricultural Technical and Extension Services, and the number of livestock on hand, immediately prior to the date of such purchase, then the allowance shall not exceed an amount determined by applying the formula—

$$\frac{A}{2} \times \frac{B}{C}$$

in which—

- A represents the cost of the livestock purchased;
- B represents such difference as aforesaid;
- C represents the number of livestock purchased.

EIGHTH SCHEDULE

[*\(Section 20\)*](#)

DETERMINATION OF TAXABLE INCOME OR ASSESSED LOSS ATTRIBUTABLE TO THE BUSINESS OF INSURANCE

Interpretation

1

(1) In this Schedule—

“assessed loss attributable to the business of insurance” means any deficiency determined after applying paragraphs 4, 5 and 6 and includes any assessed loss attributable to the business of insurance determined in respect of the previous year of assessment;

“assets in Zimbabwe” means such of the assets of an insurer as—

- (a) relate to his life insurance business; and
- (b) are required to be shown as assets in Zimbabwe in balance sheets furnished by the insurer in terms of any law relating to insurance;

“insurance business” means insurance business as defined in any law relating to insurance;

“insurer” means a person carrying on insurance business;

“investments in Zimbabwe” means such of the securities of an insurer as form part of his assets in Zimbabwe;

“life insurance business” means the business of assuming the obligations of an insurer under life policies;

“life policy” means a life, industrial, funeral or sinking fund policy as defined in any law relating to insurance;

“local life insurance business” means a business of assuming the obligations of an insurer under local life policies;

“local life policy” means a life policy which is a local policy as defined in any law relating to insurance;

“productive assets in Zimbabwe” means such assets in Zimbabwe of an insurer as are securities are not—

- (a) outstanding premiums, cash in hand or in current account; or
- (b) ordinary stocks or shares; or
- (c) property wholly occupied by the insurer in connection with his local life insurance business; or
- (d) such part of any other property of the insurer as, in the opinion of the Commissioner, is occupied by him in connection with his local life insurance business; or
- (e) such other assets as, in the opinion of the Commissioner, did not produce investment income during the year of assessment;

“public securities” mean—

- (a) bonds, stocks, Treasury bills or other like securities issued by the State, a local authority or a statutory corporation; or
- (b) loans made to any fund established in terms of the [Housing and Building Act \[Chapter 22:07\]](#);

“short term insurance business” means insurance business in Zimbabwe which is not life insurance business;

“taxable income attributable to the business of insurance” means any surplus determined after applying paragraphs 4, 5 and 6 and after deducting any assessed loss attributable to the business of insurance determined in respect of the previous year of assessment.

(2) For the purposes of this *Schedule*, the actuarial liabilities of an insurer shall be determined on the basis used by him from time to time to value the liabilities in respect of his life insurance business in Zimbabwe for the purposes of any law relating to insurance.

Returns and liability to tax

Nothing in this Schedule shall be construed as relieving an insurer from—

- (a) the obligation of rendering returns of income which is not derived from insurance business; or
- (b) any liability to tax in respect of income referred to in subparagraph (a).

Information in returns

3

An insurer shall specify separately in a return rendered in respect of his insurance business in Zimbabwe the gross income derived by the insurer from—

- (a) local life insurance business; and
- (b) fire insurance business; and
- (c) accident insurance business, including employers' insurance business; and
- (d) marine insurance business; and
- (e) fidelity or guarantee insurance business; and
- (f) all classes of insurance business other than those specified in subparagraphs (a) to (e).

Determination of taxable income or assessed loss of an insurer attributable to short term insurance business

4

The part of the taxable income or the assessed loss of an insurer attributable to short term insurance business shall be determined by charging the losses, expenses and deductions in respect of his short term insurance business which are specified in paragraph 5 against the sum of—

- (a) premiums received in the course of carrying on his short term insurance business; and
- (b) amounts, other than premiums but including commissions in re-insurance, received from the carrying on of his short term insurance business:

Provided that commission on re-insurance shall include all commission on re-insurance applicable to premiums mentioned in subparagraph (a) notwithstanding that any of the operations by which such re-insurance has been effected have been performed outside Zimbabwe; and

- (c) the amount of a reserve allowed as a deduction in the previous year of assessment for unexpired risks at the percentage for such risks adopted by the insurer in relation to his short term insurance operations as a whole:

Provided that the amount to be added in terms of this subparagraph for the first year of assessment under this Act shall be the amount of the reserve

allowed as a deduction under the similar provisions of the previous law for the immediately preceding year of assessment; and

- (d) amounts allowed to be deducted under the provisions of subparagraphs (a), (b), (c) and (d) of paragraph 5 or the corresponding provisions of any previous law, whether in the current or any previous year of assessment, which have been recovered or recouped during the year of assessment.

Deductions in respect of short term insurance business

5

The losses, expenses and deductions in respect of short term insurance business of an insurer to which the provisions of paragraph 4 relate shall be—

- (a) premiums paid on re-insurance; and
- (b) actual losses less losses recoverable on re-insurance; and
- (c) expenditure and losses (other than those referred to in subparagraphs (a) and (b)) to the extent to which they are incurred for the purposes of the short term insurance business of the insurer or in the production of the amounts referred to in subparagraph (b) of paragraph 4, except to the extent to which they are expenditure or losses of a capital nature; and
- (d) the allowances and deductions for which provision is made in [paragraphs \(b\), \(c\), \(d\), \(e\), \(h\), \(i\), \(m\), \(o\), \(p\), \(q\), \(r\), \(s\), \(t\), \(aa\) and \(bb\) of subsection \(2\) of section fifteen](#) in so far as such allowances and deductions relate to the short term insurance business of the insurer and in so far as they have not been deducted in terms of Part III of this Act; and
- (e) the amount of a reserve for unexpired risks at the percentage adopted for such risks by the insurer in relation to his insurance operations as a whole which is set aside by the insurer at the end of the year of assessment.

Determination of taxable income or assessed loss of an insurer attributable to local life insurance business

6

The part of the taxable income or the assessed loss of an insurer attributable to his local life insurance business shall, subject to the provisions of this *Schedule*, be determined by applying the formula—

$$\frac{(A - B) + (C - D)}{2} \times \frac{(E \times 2) - 7}{200} + (F - G) - H$$

in which—

A represents the amount of the actuarial liabilities in respect of all local life policies of the insurer which were in force at the end of the previous year of assessment;

B represents the amount of the actuarial liabilities in respect of all local life policies of the insurer entered into in connection with pension and

benefit funds and with purchased immediate annuities which were in force at the end of the previous year of assessment;

C represents the amount of the actuarial liabilities in respect of all local life policies of the insurer which were in force at the end of the year of assessment;

D represents the amount of the actuarial liabilities in respect of all local life policies of the insurer entered into in connection with pension and benefit funds and with purchased immediate annuities which were in force at the end of the year of assessment;

E represents the average rate of interest *per centum* derived by the insurer during the year of assessment from his productive assets in Zimbabwe;

F represents the profit arising from the realization by the insurer of his investment in Zimbabwe computed in accordance with paragraph 7;

G represents the loss arising from the realization by the insurer of his investments in Zimbabwe computed in accordance with paragraph 8;

H represents the allowance, if any, to be deducted in accordance with paragraph 9.

Determination of factor F

7

(1) The profit arising from the realization by an insurer of his investments in Zimbabwe shall be computed by applying whichever of the following formulae produces the lesser amount—

$$1 \times \frac{(A - B) + (C - D)}{(A + C)}$$

or

$$1 \times \frac{(A - B) + (C - D)}{(J + K)}$$

in which—

A, B, C and D are the same factors as those employed in the formula contained in paragraph 6;

I represents the total profit arising during the year of assessment from the realization by the insurer of any of his investments in Zimbabwe, which are not public securities but including such securities issued outside Zimbabwe as have been purchased by the insurer after 31st March, 1964;

J represents the total amount of the assets in Zimbabwe of the insurer at the beginning of the year of assessment;

K represents the total amount of the assets in Zimbabwe of the insurer at the end of the year of assessment.

(2) If—

- (a) an insurer's investments in Zimbabwe are transferred to another insurer in the course of or in furtherance of a scheme of reconstruction of a group of insurers or a merger or other business operation which, in the opinion of the Commissioner, is of a similar nature; and
- (b) the Commissioner is satisfied that, as a condition of the transfer, the transferee is to assume the liabilities of the transferor in respect of all local life policies issued by the transferor;

the transferor and the transferee may elect that, notwithstanding the terms of any agreement under which the transfer was effected, for the purposes of subparagraph (1) the consideration at which the investments in Zimbabwe are transferred shall be the cost of such investments to the transferor:

Provided that, if the transferee subsequently realises or disposes of any of the investments so transferred, otherwise than in the circumstances referred to in this subparagraph, the cost at which he acquired the investments shall be deemed, for the purpose of determining factor I, to have been the cost at which they were acquired by the first transferor who made an election in terms of this subparagraph.

Determination of factor G

8

The loss arising from the realization by an insurer of his investments in Zimbabwe shall be computed by applying whichever of the following formulae produces the lesser amount—

$$L \times \frac{(A - B) + (C - D)}{(A + C)}$$

or

$$L \times \frac{(A - B) + (C - D)}{(J + K)}$$

in which—

A, B, C and D are the same factors as those employed in the formula contained in paragraph 6;

J and K are the same factors as those employed in the formulae contained in paragraph 7;

L represents the total loss arising during the year of assessment from the realization by the insurer of any of his investments in Zimbabwe which are not public securities but including such securities issued outside Zimbabwe as have been purchased by the insurer after the 31st March, 1964.

Determination of factor H

9

(1) A deduction in respect of the taxable income of an insurer shall, subject to the provisions of this paragraph, be made of an amount computed by applying the formula—

$$(M - N) - \frac{0 \times 7}{2000} \times \frac{(A - B) + (C - D)}{2}$$

in which—

A, B, C and D are the same factors as those employed in the formula contained in paragraph 6;

M represents the interest derived by the insurer during the year of assessment from such of his public securities as are assets in Zimbabwe, excluding such securities issued outside Zimbabwe as have been purchased by the insurer after the 31st March, 1964;

N represents the interest, computed in accordance with paragraph 10, derived by the insurer during the year of assessment from such of his public securities as are directly related to that part of his local life insurance business which is attributable to local life policies entered into in connection with pension and benefit funds and with purchased immediate annuities;

O represents the average rate of interest *per centum* derived by the insurer during the year of assessment from such of his public securities as are assets in Zimbabwe excluding any such securities issued outside Zimbabwe as have been purchased by the insurer after the 31st March, 1964.

(2) No deduction shall be made in terms of this paragraph if, by applying the formula contained in paragraph 6 without the factor H, the insurer would have a loss.

(3) No allowance referred to in subparagraph (1) shall exceed an amount equal to the amount computed by applying the formula contained in paragraph 6 without the factor H.

Determination of factor N

10

The interest derived by an insurer during the year of assessment from such of his public securities as are directly related to that part of his local life insurance business which is attributable to local life policies entered into in connection with pension and benefit funds and with purchased immediate annuities shall be computed by applying the formula—

M

—

X

2

in which—

A, B, C and D are the same factors as those employed in the formula contained in paragraph 6;

M is the same factor as is employed in the formula contained in paragraph 9.

NINTH SCHEDULE

[\(Section 26\)](#)

NON-RESIDENT SHAREHOLDERS' TAX

Interpretation

1

(1) In this *Schedule*—

“company” means any company which is ordinarily resident in Zimbabwe;

“dividend” means any amount which is distributed by a company to its shareholders, but excluding—

- (a) any amount so distributed by a building society which is not distributed as a dividend in respect of—
 - (i) in the case of the Central African Building Society, a paid-up permanent share—class “A”; and
 - (ii) in the case of the Founders Building Society, an ordinary permanent fully paid-up share; and
 - (iii) in the case of the Beverley Building Society, a foundation fully paid-up share or class “A” share;

and

- (b) any bonus shares; and
- (c) any amount so distributed which, in the opinion of the Commissioner, is a return of the amount received by the company for its shares; and
- (d) any amount so distributed by the Industrial Development Corporation of Zimbabwe, Limited, in respect of its issued share capital; and
- (e)

Repealed by Act 29 of 1998 from 1 January 1999.

- (f) any amount so distributed by the Infrastructure Development Bank of Zimbabwe established by [section 3 of the Infrastructure Development Bank of Zimbabwe Act \[Chapter 24:14\]](#)

Amended by Act 11 of 2005 from 24th March , 2006.

and

- (g) any amount so distributed to the International Finance Corporation referred to in the [International Financial Organizations Act \[Chapter 22:09\]](#); and
- (h) any amount so distributed by a licensed investor having a qualifying degree of export orientation which arises from its operations in a special economic zone; and

Para (h) inserted by the Finance Act 2 of 2017 gazetted on 23rd March, 2017 backdated to the **1st January, 2017.**

- (i) any amount so distributed which, in the opinion of the Commissioner, is a return of an amount contributed to the capital of a private business corporation by a member;
- (j) any amount so distributed by an industrial park developer which arises from the operation of his industrial park;
less any income tax which has been deducted from such amount in terms of [section twenty-five](#);
- (k) any amount so distributed by the operator of BOT or BOOT project approved in terms of the [Zimbabwe Investment and Development Agency Act, \[Chapter 14:38\]](#) (No. 10 of 2019) which arises from its operations of the project ;

Para (k) inserted by the Finance (No.2) Act 10/2020 backdated w.e.f. the year of assessment beginning on the **1st January, 2017.**

“foreign company” means a body corporate which is ordinarily resident in a state or territory other than Zimbabwe;

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“person”, in addition to the meaning given to the term in [section two](#), includes, in relation to income the subject of a trust to which a beneficiary is entitled, the trust;

“relevant accounting year” means the year or period whose end coincided with the end of the year of assessment or on the date which was accepted by the Commissioner in terms of subparagraph (ii) or [paragraph \(b\) of subsection \(13\) of section thirty-seven](#), immediately prior to the date of distribution of a dividend;

“shareholder” includes a member of a private business corporation.

(2) For the purposes of this *Schedule*, a dividend shall be deemed to be distributed when it is paid to the shareholder, credited to his account or so dealt with that he becomes entitled to it, whichever occurs first.

(3) For the purposes of this *Schedule*, a company and a foreign company shall be deemed to be ordinarily resident in the state or territory in which its central management and control is situated.

Companies to withhold the tax

2

(1) Every company which distributes a dividend to—

- (a) a person, **other than** a pension fund, a benefit fund or a medical aid society, who is not ordinarily resident in Zimbabwe;

Amended by s12(a) of the Finance Act (No.2) of 1999 by the deletion of “**company**” from 'other than' w.e.f. the 30th December, 1999.

or

- (b) a partnership which is not ordinarily resident in Zimbabwe; or
(c) a foreign company;

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or

- (d) a foreign life insurance company, in respect of any shareholding determined by the Commissioner as having been acquired from funds other than those arising from the life insurance business in Zimbabwe of that foreign life insurance company;

shall withhold non-resident shareholders’ tax from that dividend and shall pay the amount withheld to the Commissioner **within 30 days** of the date of distribution or within such further time as the Commissioner may for good cause allow:

Provided that where a company establishes to the satisfaction of the Commissioner that, during the relevant accounting year, its receipts from sources outside Zimbabwe exceeded **15%** of its total receipts, the amount of any dividend shall be deemed to be the amount determined in accordance with the formula—

$$\frac{A \times B}{C}$$

in which—

- A represents the amount of the dividend;
B represents the aggregate of the receipts of the company from sources within Zimbabwe during the relevant accounting years;
C represents the aggregate of the total receipts of the company during the relevant accounting year.

For the purposes of this proviso—

“receipts” means gross receipts on both income and capital account other than sums received by the company for its shares, debentures or similar capitalizations or from borrowings.

(2) Notwithstanding subparagraph (1), where a company distributes a dividend to the Commonwealth Development Corporation the company shall not be required to withhold and pay non-resident shareholders’ tax in respect of so much of the dividend as in the opinion of the Commissioner relates to operations of the company which are connected with any project approved for the purposes of this subparagraph by the Minister.

(3) The non-resident shareholders’ tax shall be withheld in terms of subparagraph (1) notwithstanding any objection that may be lodged to any decision made by the Commissioner in terms of the proviso to subparagraph (1) or the definition of “dividend” in subparagraph (1) of paragraph 1.

(4) Where non-resident shareholders’ tax is withheld in terms of subparagraph (1), the company shall provide the shareholder with a certificate, in the form approved by the Commissioner, showing—

- (a) the gross amount of the dividend; and
- (b) the amount, if any, of income tax deducted in terms of [section twenty-five](#); and
- (c) any reduction made in terms of the proviso to subparagraph (1); and
- (d) the amount of the non-resident shareholders’ tax withheld.

(5) Any company which fails to provide a shareholder with a certificate in terms of subparagraph (4), or furnishes an incorrect certificate under that subparagraph, shall be guilty of an offence and liable to a fine not exceeding level five or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment.

Provided that, if it is proved that the company’s conduct was wilful, it shall be liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Subpara (5) inserted by the Criminal Penalties Act No. 22 of 2001, from the 10th September, 2002.

Payment of tax where dividend deemed to have been paid in terms of [section 26 \(2\)](#)

2A

Where a dividend is deemed to have been paid in terms of [section twenty-six\(2\)](#), the company which is deemed to have paid the dividend shall pay non-resident shareholders’ tax for that dividend upon written notification by the Commissioner of the tax due for that deemed dividend in accordance with the provisions on self-assessment as provided for in [section thirty-sevenA](#).

Para 2A inserted by Act 18/2000 from the 1 January 2001 and amended by the Finance Act No.2 of 2017 gazetted on 23rd March,2017 backdated to the 1st January,2017.

Agents to withhold the tax not deducted by company

3

(1) Every **agent** who receives on behalf of a shareholder who is—

- (a) a person, **other than** a pension fund, a benefit fund or a medical aid society, who is not ordinarily resident in Zimbabwe;

Amended by s12(b) of the Finance Act (No.2) of 1999 by the deletion of “**company**” from 'other than' w.e.f. the 30th December, 1999.

or

- (b) a partnership which is not ordinarily resident in Zimbabwe; or
- (c) a foreign company; or
- (d) a foreign life insurance company, in respect of any shareholding determined by the Commissioner as having been acquired from funds other than those arising from the life insurance business in Zimbabwe of that foreign life insurance company;

a dividend from which non-resident shareholders' tax has not been withheld by the company distributing the dividend, shall withhold non-resident shareholders' tax from that dividend and shall pay the amount withheld to the Commissioner within **30** days of the date of receipt of the dividend:

Provided that, subject to the approval of the Commissioner, the proviso to subparagraph (1) of paragraph 2 may be applied to the dividend received by the agent for the purpose of calculating the amount in respect of which the non-resident shareholders' tax shall be withheld in terms of this subparagraph.

(2) Where non-resident shareholders' tax is withheld in terms of subparagraph (1) the agent shall provide the shareholder with a certificate, in the form approved by the Commissioner, showing—

- (a) the name of the company distributing the dividend; and
- (b) the gross amount of the dividend; and
- (c) the amount, if any, of income tax deducted in terms of [section twenty-five](#); and
- (d) any reduction made in terms of the proviso to subparagraph (1); and
- (e) the amount of the non-resident shareholders' tax withheld.

(2a) Any agent who fails to provide a shareholder with a certificate in terms of subparagraph(2), or furnishes an incorrect certificate under that subparagraph shall be guilty of an offence and liable to a fine not exceeding level five or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment.

Provided that, if it is proved that the agent's conduct was wilful, he shall be liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Subpara (4) inserted by the Criminal Penalties Act No. 22 of 2001, from the 10th September, 2002.

(3) For the purposes of this paragraph, a person shall be deemed to be the agent of a shareholder and to have received a dividend on behalf of that shareholder if—

- (a) that person's address appears in the share register of the company as the registered address of the shareholder; and
- (b) the warrant or cheque in payment of the dividend distributable to the shareholder is delivered at that person's address:

Provided that any person so deemed to be the agent of a shareholder shall, as regards such shareholder and in respect of any income received by or accruing to or in favour of the shareholder, have and exercise all the powers, duties and responsibilities of an agent for a taxpayer absent from Zimbabwe.

Shareholder to pay the tax not withheld by company or agent

4

A shareholder to whom a dividend has been distributed from which non-resident shareholders' tax has not been withheld in terms of paragraph 2 or 3 or recovered in terms of [section seventy-seven](#) shall pay to the Commissioner **within 30 days** of the date of distribution of the dividend the tax that should have been withheld:

Provided that, subject to the approval of the Commissioner, the proviso to subparagraph (1) of paragraph 2 may be applied to the dividend received by the shareholder for the purpose of calculating the amount in respect of which the non-resident shareholders' tax shall be paid in terms of this paragraph.

Returns to be furnished

5

Payment of the non-resident shareholders' tax by a company or an agent shall be accompanied by a return in the form prescribed.

Penalty for non-payment of the tax

6

(1) Subject to subparagraph (2), a company or an agent in Zimbabwe who falls to withhold or to pay the Commissioner any amount of non-resident shareholders' tax as provided in paragraph 2 or 3 shall be personally liable for the payment to the Commissioner, not later than the date on which payment should have been made in terms of paragraph 2 or 3, as the case may be, of—

- (a) the amount of non-resident shareholders' tax which the company or the agent, as the case may be, failed to pay to the Commissioner; and
- (b) a further amount equal to **100%** of such non-resident shareholders' tax.

Penalty increased by Section 61 and the Schedule to the Finance Act 18/2000 w.e.f. the 12th January, 2001

(2) The Commissioner, if he is satisfied in any particular case that the failure to pay to him non-resident shareholders' tax was not due to any intent to evade the provisions of this

Schedule, may waive the payment of the whole or such part as he thinks fit or repay the whole or such part as he thinks fit of the amount referred to in subparagraph (b) of subparagraph (1).

(3) If a defaulting company or agent referred to in subparagraph (1) does not pay the penalty in full on the date on which the default has ceased, interest, calculated at a rate to be fixed by the Minister by statutory instrument, shall be payable on so much of the penalty as remains unpaid by the company or agent during the period beginning on the date the default has ceased and ending on the date the penalty is paid in full, and such interest shall be recoverable by the Commissioner by action in any court of competent jurisdiction:

Provided that in special circumstances the Commissioner may extend the time for payment of the penalty without charging interest.

whether ZIMRA entitled to charge interest - *Air Zimbabwe Corporation & 10 others v ZIMRA* [03-HH-096](#)

Para (3) inserted by Act 8 of 2005 from the 1st January , 2006
See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#)
gazetted on the 19th December, 2022 backdated to the 1st DECEMBER, 2022

Refund of non-resident shareholders' tax

7

If it is proved to the satisfaction of the Commissioner that any person has been charged with non-resident shareholders' tax—

(a) in excess of the amount properly chargeable in terms of this *Schedule*;

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or

(b) ...

Subparagraph (b) repealed by Act 29 of 1998 from 1 January 1999.

(c) in respect of any dividend which has subsequently been rescinded with the approval of the Minister in order to comply with any conditions attaching to the payment of any dividend outside Zimbabwe in terms of the law relating to exchange control; or

(d) in respect of any dividend to the extent that it has subsequently been utilized to import essential goods into Zimbabwe in accordance with concessions allowed or permission granted by the Minister in terms of any enactment;

the Commissioner shall authorize a refund in so far as it has been overpaid or is in respect of any such dividend:

Provided that the Commissioner shall not authorize any refund in terms of this paragraph unless the claim thereof is made **within 6 years** of the date of payment of such tax.

TENTH SCHEDULE

BRANCH PROFITS TAX

Repealed by Act 29 of 1998 from the 1 January 1999.

ELEVENTH SCHEDULE

SCHEDULE substituted by the Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020.

[\(Section 62 \(1\)\(b\)\)](#)

The decisions of the Commissioner to which any person may object under [section 62\(1\)\(b\)](#) are those made in terms of—

- (a) paragraph (c) of the definition of “mining operations” in [section 2\(1\)](#);

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- (b) paragraphs (a), (d), (e), (f), (g), (j) and (l) of the definition of “gross income” in [section 8 \(1\)](#);

- (c) [section 12\(4\)](#);

- (d) [section 13](#);

- (e) the following provisions of [section 15](#)—

- (i) [paragraphs \(d\), \(e\), \(f\), \(g\), \(i\), \(k\), \(p\), \(v\), \(w\), \(x\)](#) and [\(y\) of subsection \(2\)](#);

- (ii) proviso (ii) to [subsection \(3\)](#):

Provided that in any objection made in terms of this subparagraph and in any subsequent appeal lodged in terms of [section sixty-five](#) against the decision of the Commissioner thereon, the burden of proof that the change in the shareholding of a company was not effected solely or mainly in pursuance of or in connection with any scheme to take advantage of the assessed loss of that company, shall be upon the company claiming such assessed loss as a deduction under [section 15\(3\)](#);

- (iii) proviso (iii) to [subsection \(3\)](#);

- (f) [section 16\(2\)](#);

- (g) [section 17](#);

- (h) [section 18](#);

- (i) [section 19](#);

- (j) [section 23](#);

- (k) [section 24](#);

- (l) [section 37A\(12\)](#);

- (m) [section 45\(1\)](#) and the proviso to [section 45\(2\)](#);
- (n) [section 46\(6\)](#) and the proviso to [section 46\(7\)](#);
- (o) [section 47\(1\)](#);
- (p) [section 98](#):

Provided that in any objection made in terms of this paragraph and in any subsequent appeal lodged in terms of [section sixty-five](#) against the decision of the Commissioner thereon, the burden of proof that the avoidance or postponement of liability for any tax or the reduction of the amount thereof was neither the sole purpose nor one of the main purposes of any transaction, operation or scheme, shall be upon the taxpayer;

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- (q) [section 98A\(3\)](#);
- (r) [section 98B\(2\)\(a\)](#);
- (s) the following provisions of the **Second** Schedule—
 - (i) subparagraph (2) of paragraph 2;
 - (ii) proviso (ii) to paragraph 4:

Provided that in any objection made in terms of this subparagraph and in any subsequent appeal lodged in terms of [section sixty-five](#) against the decision of the Commissioner thereon, the burden of proof that any transaction, operation or scheme did not have as its sole purpose or one of its main purposes the avoidance or postponement of liability for or reduction of tax, shall be upon the taxpayer;

- (iii) paragraph 7;
- (iv) the proviso to paragraph 10(2);
- (v) paragraph 11(1);
- (vi) paragraph 12(b);
- (vii) the proviso to paragraph 12:

Provided that in any objection made in terms of this subparagraph and in any subsequent appeal lodged in terms of [section sixty-five](#) against the decision of the Commissioner thereon, the burden of proof that any transaction, operation or scheme did not have as its sole purpose or one of its main purposes the avoidance or postponement of liability for or reduction of tax, shall be upon the taxpayer;

- (viii) paragraph 13;
- (t) the following provisions of the **Fourth** Schedule—
 - (i) subparagraphs (ii), (iii) and (v) of paragraph (a) of the definition of “industrial building” in paragraph 1;
 - (ii) the definition of “training equipment” in paragraph 1;
 - (iii) provisos (ii) and (iii) to paragraph 2;
 - (iv) paragraph 4;
 - (v) paragraph 8;
- (u) the following provisions of the **Fifth** Schedule—
 - (i) the definition of “approved estimated life” in paragraph 1;
 - (ii) the definition of “training equipment” in paragraph 1;
 - (iii) the definition of “new mine” in paragraph 4(8);
 - (iv) paragraph 8(3) and (6); (v) paragraph 4(1) (c), (e) and (h) of the Seventh Schedule;
- (w) paragraph 7(2) of the **Eighth** Schedule;
- (x) the following provisions of the **Ninth** Schedule—
 - (i) the definition of “dividend” in paragraph 1(1);
 - (ii) paragraph 2(1)(d);
 - (iii) the proviso to paragraph 2(1);
 - (iv) paragraph 2(2); (v) paragraph 3(1)(d);
 - (vi) paragraph 6(2);
- (y) paragraph 11 of the **Thirteenth** Schedule;

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- (z) the following provisions of the **Fifteenth** Schedule—
 - (i) the definition of “dividend” in paragraph 1(1);
 - (ii) paragraph 6(2);
- (aa) the provisions of the **Seventeenth** Schedule, where the determination relates to—
 - (i) whether or not any amounts are fees for the purposes of that Schedule; or
 - (ii) whether or not a payee is ordinarily resident in Zimbabwe; or
 - (iii) the waiver or repayment of any amount referred to in paragraph 6(1);

- (bb) the provisions of the **Eighteenth** Schedule, where the determination relates to—
 - (i) whether or not a remittance was in respect of allowable expenditure; or
 - (ii) whether or not a person or partnership is a non-resident person; or
 - (iii) the waiver or repayment of any amount referred to in paragraph 4(1);
- (cc) the provisions of the **Nineteenth** Schedule, where the determination relates to—
 - (i) whether or not any amounts are royalties for the purposes of that Schedule; or
 - (ii) whether or not a payee is a non-resident person; or
 - (iii) the waiver or repayment of any amount referred to in paragraph 6(1);
- (dd) the provisions of the **Twenty-First** Schedule, where the determination relates to—
 - (i) whether or not any amount is interest for the purposes of that Schedule; or
 - (ii) whether or not an amount of interest is from a source in Zimbabwe; or
 - (iii) the waiver or repayment of any amount referred to in paragraph 6(1).
- (ee) the provisions of the **Twenty-Seventh** Schedule, where the determination relates to—
 - (i) the residence of a member or former member of a mutual society; or
 - (ii) the waiver or repayment of any amount in terms of paragraph 8(3); or
 - (iii) the refund of an overpayment in terms of paragraph 10;
- (ff) the provisions of the **Twenty-Eighth** Schedule, where the determination relates to—
 - (i) whether a person has entered Zimbabwe; or
 - (ii) whether a visitor to Zimbabwe has stayed in Zimbabwe for a longer period than the period for which he or she originally paid carbon tax;
- (gg) the provisions of the **Thirtieth** Schedule, where the determination relates to—
 - (i) whether or not an institution is a financial institution; or
 - (ii) whether or not a financial institution has mediated the transfer of money;
- (hh) the provisions of the **Thirty-First** Schedule, where the determination relates to—

- (i) whether an oil company and any other person or entity (other than the State) has purchased any petroleum product from NOCZIM or imported any petroleum product; or
 - (ii) whether the required NOCZIM debt redemption and strategic reserve levy has been paid to the Zimbabwe Revenue Authority;
- (jj) the provisions of the **Thirty-Second** Schedule, where the determination relates to—
 - (i) the definition of a “freelance agent; or
 - (ii) whether property or insurance commission tax was paid on commission paid to a freelance agent; or
 - (iii) the refund of a payment in terms of paragraph 6;
- (kk) the provisions of the **Thirty-Third** Schedule, where the determination relates to—
 - (i) whether director’s fees were paid to a director; or
 - (ii) whether tax was withheld and paid by the payer
 - (iii) the refund of a payment in terms of paragraph 7;
- (ll) the provisions of the **Thirty-Fourth** Schedule, where the determination relates to—
 - (i) whether a petroleum operator has imported petroleum products; or
 - (ii) whether petroleum levy was paid; or
 - (iii) the refund of a payment in terms of paragraph 3;
- (mm) the provisions of the **Thirty-Fifth** Schedule, where the determination relates to—
 - (i) whether or not the conditions of a controlled transaction are consistent with the arm’s length principle; or
 - (ii) whether or not the transaction is comparable to a controlled transaction; or
 - (iii) whether or not the selected transfer pricing method is the most appropriate one; or
 - (iv) whether or not the corresponding adjustment made by the Commissioner to the taxable income of the taxpayer in relation to the domestic transaction is appropriate;
- (nn) the provisions of the **Thirty-Sixth** Schedule, where the determination relates to—
 - (i) whether or not the person is a bookmaker; or

- (ii) whether or not an amount is gross takings for the purposes of the Schedule.

TWELFTH SCHEDULE

([Sections 64, 65 and 66](#))

RULES FOR REGULATING APPEALS

PART I

The rules in this Part shall apply in the determination of appeals under [section sixty-five](#) or any proceedings incidental thereto or connected therewith—

1

The Special Court shall have all the powers of the High Court as in civil actions, and the general procedure and practice, save as specially provided for by these rules, shall be that prevailing in the High Court, in so far as the same is applicable, and if any matter should arise which is not contemplated by either such procedure and practice or these rules, the Special Court shall give instructions regarding the course to be pursued, which instructions shall be binding on the parties.

Compare **Special Case** in [Rules 199](#) and [204 of the High Court Rules RGN 1047/1971](#) *M (Pvt) Ltd v ZIMRA 15-HH-665*
SDC Ltd v Commissioner General Zimra 18-HH-648

2

In any case in which the Special Court makes an order **as to costs**, the bill of such costs shall be taxed by the registrar of the High Court:

Provided that either the Commissioner or the appellant may apply to the Special Court for reconsideration of any items or portions of items in such bill, and the Special Court's decision as to whether such items or portions of items shall be allowed, reduced or disallowed shall be final.

3

The fees, charges and rates to be allowed in such bill of costs shall be as far as applicable those fixed by the tariff of fees and charges in cases heard before the High Court.

4

The Special Court may enlarge any of the times and periods set out in these rules on good cause being shown or by agreement of the parties.

5

When any taxpayer has given notice of an appeal he shall state the grounds of his appeal and set forth in writing all the facts which he considers material and relevant and the contentions in law based thereon. Such statement shall be called the "**appellant's case**" and shall be lodged with the Commissioner in duplicate **within 60 days** of the date on which notice of appeal is given to the Commissioner.

6

Should the statement of facts in the appellant's case be admitted by the Commissioner to be sufficient and correct, he shall **within 60 days** of the lodging of the appellant's case draw up and submit to the appellant a document embodying the admitted statement of facts, the contentions in law of the appellant and the contentions in law of the Commissioner.

Such document shall be called an "**agreed case**".

Compare **Special Case** in [Rule 199](#) and [204 of the High Court Rules RGN 1047/1971](#) *M (Pvt) Ltd v ZIMRA* [15-HH-665](#)

7

The appellant and the Commissioner may agree to a statement of facts, each setting out his respective contention in law based on such facts, in the form of an agreed case.

8

The agreed case shall be transmitted to the Special Court by the Commissioner **within 14 days** of submitting the agreed case to the appellant in terms of [rule 6](#), and the arguments on appeal and the decision of the Special Court shall be confined to the facts admitted.

M (Pvt) Ltd v ZIMRA [15-HH-665](#)

9

Should the Commissioner not admit the statement of facts in the appellant's case to be correct or sufficient, or should he not come to an agreement with the appellant on a statement of facts, he shall **within 60 days** of the receipt of the appellant's case lodge with the taxpayer a statement setting out which of the allegations he admits as correct and which he denies, and shall set out all such other facts which he considers relevant and material to the determination of the appeal. The Commissioner shall also state his contentions in law. Such statement shall be called the "**Commissioner's case**".

10

Should the appellant and the Commissioner not agree in regard to the statement of facts, the Commissioner shall transmit to the Special Court the appellant's case and the Commissioner's case **within 30 days** of the lodgement of the Commissioner's case with the taxpayer.

11

The Commissioner shall transmit to the Special Court, together with the agreed case, or with the appellant's case and the Commissioner's case, a certified copy or extract of the assessment in so far as it relates to the assessment made upon the appellant, and also the notice of objection lodged and the notice of appeal, together with any material correspondence related thereto, unless the same have already been included in the statement of facts. A copy of the decision appealed from and of the reasons for the same shall accompany the documents above mentioned.

12

The Special Court shall, after consultation with the parties, notify them of a day, time and place for the hearing of the appeal, such day being **not less than 30 days** after the receipt of

the agreed case or of the appellant's and Commissioner's cases, and shall give notice to the Commissioner of the appointed day.

13

If any facts are in dispute either the appellant or the Commissioner may call such evidence and produce such documents at the hearing of the appeal as may be deemed material and relevant.

14

If neither the appellant nor anyone authorized to appear on his behalf appears before the Special Court at the time and place appointed for the purpose then the Special Court, upon the request of the Commissioner and upon proof that the prescribed notice of the sitting of the Special Court has been given to the appellant, shall confirm the assessment objected to, unless any question of law arises, in which case the Special Court may, before giving its decision, call upon the Commissioner for argument in support of the assessment.

Insured v COT 85-ITC-1422

THIRTEENTH SCHEDULE

([Sections 71, 72, and 73](#))

EMPLOYEES' TAX

PART I

PRELIMINARY

Interpretation

1

(1) In this *Schedule*—

“auction rate”

Definition inserted by Act 2 of 2005 from the 1st September, 2005, and repealed by Act 8 of 2007 w.e.f. the period beginning on the 1st September, 2007 and ending on the 31st December, 2007 of the year of assessment beginning on the 1st January, 2007.

“**employee**” means an individual to whom remuneration is paid or payable at an annual rate that is more than the amount specified in subparagraph (i) of [paragraph \(a\) of subsection \(2\) of section 14 of the Finance Act \[Chapter 23:04\]](#) in respect of the year of assessment concerned;

“**employees' tax**” means any amount required to be withheld by an employer in terms of paragraph 3;

“**employees' tax certificate**” means a certificate required to be issued by an employer in terms of paragraph 14;

“**employer**” —

(a) means any person (excluding any person not acting as a principal or any person or class of persons specified by the Commissioner, but

including any person acting in a fiduciary capacity or in his capacity as a trustee of an insolvent or deceased estate or an administrator of a benefit fund, pension fund, provident fund, retirement annuity fund or any other fund) who pays or is liable to pay to any employee any amount by way of remuneration, and any person responsible for the payment of any amount by way of remuneration to any employee under any law or out of public funds (including the funds of any statutory corporation or undertaking of the State) or out of moneys appropriated by Act of Parliament;

and

(b) includes a **representative** of the employer;

“Exchange Control (Exchange Rate) Direction”

Definition inserted by Act 8 of 2007 w.e.f. 1st September, 2007 and ending on the 31st December, 2007 of the year of assessment beginning on the 1st January, 2007; and repealed by Act 3/2009 w.e.f. the year of assessment beginning on the 1st . January, 2009.

“Exchange Control (General) Order” means the Exchange Control (General) Order, 1996, published in [Statutory Instrument 110 of 1996](#), or any other enactment that may be substituted for the same;

Inserted by Act 2 of 2005 with effect from the 1st September, 2005

“non-resident employer” means—

- (a) an individual who is not ordinarily resident in Zimbabwe; or
- (b) a company, partnership or organisation which does not have its head office or principal place of business within Zimbabwe;

Inserted by Act 29 of 2004 from 1st January, 2005.

“principal”, in relation to an employer who or which is a subordinate person, means any company, partnership, organisation or other person referred to in paragraph (a), (b) or (c) of the definition of “subordinate person”;

Inserted by Act 8/2011 w.e.f. the 16th September, 2011

“remuneration” means any amount of income which is paid or payable to any person by way of any salary, leave pay, allowance, wage, overtime pay, bonus, gratuity, commission, fee, emolument, pension, superannuation allowance, retiring allowance, stipend or commutation of a pension or an annuity, whether in cash or otherwise and whether or not in respect of services rendered, including any amount referred to in paragraph (a), (b), (c) or (f) of the definition of “gross income” in [subsection \(1\) of section eight](#), but not including—

- (a) any amount paid or payable to any person in respect of services rendered or to be rendered by that person in the course of any

trade conducted by him independently of the person by whom such amount is paid or payable:

Provided that where any such amount is paid or payable to—

- (i) an **insurance agent** in respect of any act done by him or her on behalf of a person who is a registered insurer in terms of the [Insurance Act \[Chapter 24:07\]](#) in relation to the initiating of insurance business, the receiving of proposals for insurance, the issuing of policies or the collection of premia; or
- (ii) a person in respect of any act done by him or her on behalf of a person who is a registered **estate agent** in terms of the [Estate Agents Act \[Chapter 27:17\]](#) in relation to introducing parties to the sale or lease of immovable property to each other or negotiating or concluding such sale or lease;

such amounts shall constitute remuneration for the purposes of this *Schedule*;

Proviso substituted by Act 29 of 2004 from 1st January, 2005.

or

- (b) any amount of non-executive **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; or

Paras (b) and (c) substituted by Finance Act 7/2021 gazetted on the 31 December, 2021 w.e.f.1st January, 2022.

- (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
- (d) any amount exempt from income tax by virtue of the *Third Schedule*; or
- (e) any amount paid or payable out of moneys of a partnership to a person who is a member of that partnership; or
- (f) any amount paid or payable to an employee wholly in reimbursement of expenditure actually incurred by such employee in the course of his employment; or
- (g) any amount which is paid or payable to a person by way of a commutation of a pension or annuity and which does not form part of that person's gross income as defined in [section eight](#); or
- (h)

Para (h) substituted by Act 2 of 2005 from the 1st September, 2005;
then repealed by Act 5/2009 w.e.f. the 30th September, 2009.

- (i) the **COVID-19 Civil Servants' allowance**, that is to say—
 - (i) that part of the salary of a civil servant 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*;

Paras (j) and (k) substituted by Finance Act 7/2021 gazetted on the 31 December, 2021 w.e.f. 1st January, 2022.

- (k) any amount which the Commissioner-General directs or prescribes shall not be remuneration for the purposes of this *Schedule*; "**remuneration liable to employees' tax**" means so much of the remuneration payable to an employee as remains after the deduction of any amount in respect of ordinary contributions as defined in paragraph 1 of the *Sixth Schedule* excluding contributions to a benefit fund;

"remuneration paid in foreign currency" means remuneration paid in United States dollars or Euros or in any currency denominated under the Exchange Control (General) Order;

Inserted by Act 2 of 2005 with effect from the 1st September, 2005

"representative of the employer" means—

- (a) in the case of any company, the public officer of the company or any other officer of the company who controls the payment of remuneration and who has been appointed by the company and approved by the Commissioner or, in the event of the company being placed in liquidation or under judicial management, the liquidator or judicial manager, as the case may be;
- (b) in the case of an association of persons, other than a company, a member of the association of persons appointed by its governing body;
- (c) in the case of a local or like authority, an officer of the local or like authority appointed by the local or like authority;
- (d) in the case of a person under legal disability, the trustee;

- (e) in the case of an employer who is not ordinarily resident in Zimbabwe, any agent of such employer who is authorized to pay remuneration on behalf of such employer;
- (f) in the case of an individual, other than a person referred to in subparagraph (a), (b), (c), (d) or (e), that individual or any other individual authorized to pay remuneration on behalf of that individual;

but nothing in this definition shall be construed as relieving any person from any liability, responsibility or duty imposed upon him by this *Schedule*.

“**subordinate person**”, in relation to any company, partnership, organisation or other person, means—

- (a) a company that is the subsidiary of another company, as defined in [section 186 of Companies and Other Business Entities Act \[Chapter 24:31\]](#); or
- (b) a branch or division of a company, partnership or organisation which has its head office or principal place of business within Zimbabwe; or
- (c) any person whose management or policies are directly or indirectly controlled by any company, partnership, organisation or other person.

Definition inserted by Act 8/2011 w.e.f. the 16th September, 2011

(2) Any trustee shall, as regards any amounts paid or payable by the deceased prior to his death or by the person under a legal disability prior to his becoming subject to such legal disability by way of remuneration to any employee, be subject, in his representative capacity, in all respects to the same duties, responsibilities and liabilities under this *Schedule* as if the amounts had been paid or payable by him.

PART II

RIGHTS AND DUTIES OF EMPLOYERS

Registration of employers

2

(1) *Subject to paragraph 2A, every person* who becomes an employer shall apply to the Commissioner in such form as may be prescribed for registration as an employer, **within 14 days** of his becoming an employer.

Amended by Act 8/2011- corrected by Act 9 of 2011- w.e.f. the **16th September, 2011**, by inserting the words in italics.

(2) Every person who has registered as an employer under subparagraph (1) shall, **within 14 days** after changing his address or ceasing to be an employer, notify the Commissioner in such manner and form as may be prescribed of his new address or of the fact of his having ceased to be an employer, as the case may be.

(3) The Commissioner may, at such times as he may decide, issue public notices drawing attention to the provisions of this paragraph.

(4) Every non-resident employer shall appoint a resident representative to secure registration on its behalf under this paragraph and otherwise to act as its agent for all purposes of this *Schedule*.

(5) A non-resident employer shall give notice in writing to the Commissioner-General of the appointment of a resident representative under paragraph (4).

(6) If a non-resident employer fails, when required in writing to do so by the Commissioner-General, to furnish the Commissioner-General with particulars of the appointment of a resident representative under paragraph (4) within such period as the Commissioner-General shall specify, the Commissioner-General may—

- (a) appoint a person to be the non-resident employer's resident representative, and such person shall secure registration on the employer's behalf under this paragraph and otherwise act as the employer's agent for all purposes of this *Schedule*;

and additionally or alternatively,

- (b) cause any work permit held by the employer or any director or employee of the employer to be forthwith cancelled upon the written request of the Commissioner-General to the Chief Immigration Officer.

Subpara (6) substituted by Act 2 of 2005 w.e.f. the 1st September, 2005

Principals to register as employers in lieu of subordinate persons

2A

(1) With effect from the *date of commencement of the Finance Act, 2011, where an employer is a subordinate person, the principal of that employer must, for the purposes of this Schedule, register as the employer instead of the first-mentioned employer.

(2) Every principal shall, on or before the 1st January, 2012, apply to the Commissioner in such form as may be prescribed for registration as the employer in place of every entity—

- (a) that is its subordinate person; and
- (b) which, on the *date of commencement of the Finance Act, 2011, is registered as an employer.

Paragraph inserted by Act 8/2011 whose *date of commencement is the **16th September, 2011**

Employers to withhold tax

3

(1) Every employer (whether or not he has registered as an employer in terms of subparagraph (1) of paragraph 2) who pays or becomes liable to pay any amount by way of remuneration to any employee shall, unless the Commissioner has granted authority to the contrary, withhold from that amount by way of employees' tax an amount which shall be determined in accordance with such tax deduction tables as may be prescribed or as is

provided in subparagraph (2), (3) or (4) of this paragraph or in subparagraph (2) of paragraph 20, whichever is applicable, in respect of the liability for income tax of that employee, and shall pay the amount so withheld to the Commissioner on the **10th day** of the month following, or within such longer period **not exceeding 7 days** as the Commissioner may for good cause allow, after the end of the month during which the amount was withheld or, in the case of a person who ceases to be an employer before the end of such month, on the following day after the day on which he or she ceases to be an employer.

Amended by Act 3/2009 w.e.f. the **1st February, 2009** in the year of assessment beginning on the 1st January, 2009.

With effect from the **1st September, 2010** the deadlines were amended by Act 3 of 2010 gazetted late on the 20th September, 2010.

See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#) gazetted on the 19th December, 2022 backdated to the 1st DECEMBER, 2022

(1a) ...

Repealed by Act 3/2009 w.e.f. the **1st February, 2009** in the year of assessment beginning on the 1st January, 2009.

(1b) Where part of the remuneration from which employees' tax is required to be withheld under subparagraph (1) is remuneration paid **in foreign currency**, the employer shall determine the amount of employees' tax to be withheld from that part of the remuneration that is paid in foreign currency separately from the other remuneration, and shall pay to the Commissioner-General within the period specified in subparagraph (1) the appropriate amounts of employees' tax.

Subparas (1a) and (1b) inserted by Act 2 of 2005 from 1st September, 2005.

(2) The amount to be withheld in respect of employees' tax from any payment to which paragraph (c) of the definition of "gross income" in [subsection \(1\) of section eight](#) apply shall be ascertained by the employer from the Commissioner before making such payment, and the Commissioner's determination of the amount to be so withheld shall be final.

(3) If an employer has not at any time received any tax code declaration from an employee as required by subparagraph (1) or (3) of paragraph 16 and has not in respect of that employee received a directive from the Commissioner as provided in subparagraph (2) of paragraph 16 or subparagraph (2) of paragraph 20 he shall, until such declaration or directive is received, withhold employee's tax in accordance with the prescribed tax deduction tables.

(4) An employer shall, at the request of an employee in the manner and form prescribed, withhold from any amount of remuneration an amount by way of employees' tax greater than that required to be withheld in terms of subparagraph (1), (1a) or (1b) as read with subparagraph (5), (6), (7), (8), (9), (10), (11) or (12), as the case may be, and shall pay such amount to the Commissioner, and the provisions of this *Schedule* relating to employees' tax shall apply, *mutatis mutandis*, in respect of such amount:

Subpara (4) amended by Act 2 of 2005 from 1st September, 2005.

Provided that the Commissioner, having regard to the circumstances of the case, may direct that the amount withheld shall be reduced to an amount not being less than that required to be withheld in terms of subparagraph (1) as read with subparagraph (5), (6), (7), (8), (9), (10), (11) or (12), as the case may be.

(5) For the year of assessment beginning on the **1st April, 1979**, where in terms of subparagraph (1) or (3) the amount to be withheld by an employer is to be determined in accordance with the prescribed tax deductible tables, the said subparagraph shall apply as if it required the employer to withhold, in respect of the period beginning on the 1st October, 1979, and ending on the 31st March, 1980, in addition to any amount so determined, a sum equal to **10%** of that amount.

(6) For the year of assessment beginning on the 1st April, 1980, where in terms of subparagraph (1) or (3) the amount to be withheld by an employer is to be determined in accordance with the prescribed tax deduction tables, the said subparagraph shall apply as if it required the employer to withhold, in addition to any amount so determined, a sum equal to **10%** of that amount.

(7) For the years of assessment beginning on the 1st April, 1981, and the 1st April, 1982, where in terms of subparagraph (1) or (3) the amount to be withheld by an employer is to be determined in accordance with the prescribed tax deduction tables, the said subparagraph shall apply as if it required the employer to withhold, in addition to any amount so determined, a sum equal to **15%** of that amount.

(8) For the year of assessment beginning on the 1st April, 1983, where in terms of subparagraph (1) or (3) the amount to be withheld by an employer is to be determined in accordance with the prescribed tax deduction tables, the said subparagraph shall apply as if it required the employer to withhold—

(a) in respect of the period beginning on the 1st April, 1983, and ending on the 30th September, 1983, in addition to any amount so determined, a sum equal to **15%** of that amount; and

(b) in respect of the period beginning on the **1st October, 1983**, and ending on the 31st March, 1984, in addition to any amount so determined, a sum equal to **25%** of that amount.

(9) For the year of assessment beginning on the **1st April, 1984**, where in terms of subparagraph (1) or (3) the amount to be withheld by an employer is to be determined in accordance with the prescribed tax deduction tables, the said subparagraph shall apply as if it required the employer to withhold in respect of the period beginning on the 1st October, 1984, and ending on the 31st March, 1985, a sum equal to **5%** of the amount so determined, which sum shall be in addition to that amount and to any amount to be withheld in terms of subparagraph (10).

(10) For the terms of assessment beginning on the **1st April, 1985, 1986 and 1987**, where in terms of subparagraph (1) or (3) the amount to be withheld by an employer is to be determined in accordance with the prescribed tax deduction table, the said subparagraph shall apply as if it required the employer to withhold, in addition to any amount so determined, a sum equal to **15%** of that amount.

(11) For the year of assessment beginning on the **1st April, 1985**, where in terms of subparagraph (1) or (3) the amount to be withheld by an employer is to be determined in accordance with the prescribed tax deduction tables, the said subparagraph shall apply as if it required the employer to withhold in respect of the period beginning on the 1st April, 1985, and ending on the 30th September, 1985, a sum equal to **5%** of the amount so determined, which sum shall be in addition to that amount and to any amount to be withheld in terms of subparagraph (10).

(12) For the year of assessment beginning on the **1st April, 1992**, where in terms of subparagraph (1) or (3) the amount to be withheld by an employer is to be determined in accordance with the prescribed tax deduction tables, the said subparagraph shall apply as if it required the employer to withhold, in respect of the period beginning on the 1st October, 1992, and ending on the 31st March, 1993, in addition to any amount so determined, a sum equal to **10%** of that amount.

(13) For the years of assessment beginning on the **1st April, 1995**, and the **1st April, 1996** where in terms of subparagraph (1) or (3) the amount to be withheld by an employer is to be determined in accordance with the prescribed tax deduction tables, the said paragraph shall apply as if it required the employer to withhold, in addition to any amount so determined, a sum equal to **5%** of that amount.

Employers to keep records and to furnish returns

4

(1) Every employer shall, in respect of each employee, maintain a record showing the amounts of remuneration paid or payable by him to such employee and the amount of employee's tax withheld from each such amount of remuneration in respect of the year of assessment, and such record shall be retained by the employer and shall be available for scrutiny by the Commissioner.

(2) Every employer shall, in respect of the year of assessment concerned, furnish to the Commissioner—

(a) returns in such form as may be prescribed showing—

- (i) the name and address of each employee to whom he paid or was liable to pay remuneration during such year; and
- (ii) the total remuneration paid or payable to each employee in respect of such year; and
- (iii) the total amount of employees' tax withheld by him from such remuneration in respect of such year;

and

(b) a copy of each employee's tax certificate in respect of such year delivered by such employer under paragraph 14.

(3) The returns referred to in subparagraph (2) shall be submitted to the Commissioner **within 30 days**, or within such longer period as the Commissioner may approve, after the end of the year of assessment:

Provided that if the employer ceases to carry on any business or other undertaking in respect of which he has paid or become liable to pay remuneration or otherwise ceases to be an employer, the returns shall be in respect of the period from the 1st April immediately preceding the date on which he ceased to carry on such business or other undertaking or otherwise ceased to be an employer, as the case may be, to the date of such cessation and shall be furnished **within 14 days** of such cessation or within such longer period as the Commissioner may approve.

Accrual of amounts withheld

5

An amount which has been withheld by way of employees' tax in terms of this Part by an employer from the remuneration paid or payable to an employee shall be deemed, for the purposes of this Act, to have accrued to the employee on the date such amount was withheld.

No actions to be maintained in connection with the withholding of amounts in terms of this Part

6

No action shall lie against an employer who withholds any amount of employees' tax in compliance or intended compliance with this Part by reason only of his withholding of that amount.

Agreement to avoid the provisions of this Part

7

An agreement between an employer and an employee whereby the employer undertakes not to withhold employees' tax shall be void.

Paragraph 3 to be in derogation of any other law, instrument or agreement

8

(1) The provisions of paragraph 3 shall be in derogation of any law, instrument or agreement which empowers, requires, authorizes, prohibits or regulates the deduction, withholding, reduction or attachment of any amount payable by way of remuneration.

(2) A law, instrument or agreement referred to in subparagraph (1) shall be deemed for all purposes to apply only to so much of any remuneration payable to an employee as remains after the withholding of any employees' tax.

Remunerator payable to deceased estates

9

Immediately upon the death of an employee the employer shall apply to the Commissioner for a directive in respect of the amount of employees' tax to be withheld from remuneration payable by the employer to the deceased estate of the employee or to any other person, and no such remuneration shall be paid by the employer to the deceased estate of the employee or to such other person otherwise than in accordance with such directive.

Failure or refusal of employers to withhold or to remit employee' tax

10

(1) Subject to the provisions of paragraph 11, an employer who fails to withhold or to pay to the Commissioner any amount of employees' tax as provided in paragraph 3 shall be personally liable for the payment to the Commissioner, not later than the date on which payment should have been made if the employees' tax had been withheld in terms of paragraph 3, of—

- (a) the amount of employees' tax which he failed to withhold or to pay to the Commissioner; and
- (b) a further amount equal to such employees' tax.

The Endeavour Foundation and UDC Ltd v COT [95-SC-095](#)

(2) The amounts for the payment of which an employer is liable in terms of subparagraph (1)—

- (a) shall be debts due by the employer to the State; and
- (b) may be sued for and recovered by action by the Commissioner in any court of competent jurisdiction.

(3) For the purposes of this paragraph the Commissioner may make an assessment in which the amount of employees' tax for which an employer is personally liable by virtue of subparagraph (1) is estimated, and [section forty-five](#) shall, with necessary modifications, apply to such assessment.

Inserted by Act 10/2003 from the 1st January , 2004

(4)

Inserted by Act 8 of 2005 from the 1st January, 2006. Penalty repealed by the Finance Act 1 of 2018 gazetted on the 14th March,2018 with deemed effect from the **1st February 2009**.

Remission of penalties for failure to withhold or to remit employees' tax

11

The Commissioner may, if he is satisfied that a failure to withhold or to pay to him employees' tax was not due to an intent to evade the provisions of this *Schedule*, waive the payment of the whole or such part as he thinks fit or repay the whole or such part as he thinks fit of any amount referred to in subparagraph (b) of subparagraph (1) of paragraph 10.

Recovery by employers of employees' tax not withheld or remitted

12

(1) Where an employer has failed to withhold an amount of employees' tax in terms of paragraph 3 and subsequently pays that amount in terms of paragraph 10, he may recover that amount from the employee from whose remuneration that amount should have been withheld.

(2) An amount recoverable by an employer in terms of subparagraph (1) shall be a debt due by the employee to the employer and may be recovered from the remuneration liable to employees' tax payable by the employer in the future in accordance with the direction of the Commissioner.

(3) Until such time as an employee pays to his employer any amount which is due to the employer in terms of this paragraph, such employee shall not be entitled to receive from the employer an employees' tax certificate in respect of that amount.

(4) An employer shall not be entitled to recover from an employee any amount referred to in subparagraph (b) of subparagraph (1) of paragraph 10.

Insolvency of employers

13

(1) A claim by the Commissioner against an estate of an employer under sequestration for the payment of an amount referred to in subparagraph (a) of subparagraph (1) of paragraph 10 shall have the same priority as is accorded to a claim for any tax due and payable by the insolvent otherwise than in terms of [section forty-six](#).

(2) A claim by the Commissioner against an estate of an employer under sequestration for the payment for an amount referred to in subparagraph (b) of subparagraph (1) of paragraph 10 shall have the same priority as is accorded to a claim for any tax due and payable by the insolvent in terms of [section forty-six](#).

Furnishing of employees' tax certificates by employer

14

(1) Subject to paragraphs 10 and 18, every employer who withholds any amount by way of employees' tax as required by paragraph 3 shall, within the time allowed by subparagraph (3), deliver to each employee or former employee or the trustee of such employee or former employee to whom remuneration has been paid or becomes payable by the employer during the year of assessment in question, an employees' tax certificate in such form as the Commissioner may prescribe or approve.

(2) The employees' tax certificate shall show the total remuneration of such employee or former employee and the sum of the amounts of employees' tax withheld by such employer from such remuneration during the said year, excluding any amount of remuneration or employees' tax included in any other employees' tax certificate issued by such employer unless such other certificate has been surrendered to such employer by the employee or former employee and has been cancelled by such employer and dealt with by him as provided in subparagraph (9) of paragraph 15.

(3) The employees' tax certificate referred to in subparagraph (1) shall be delivered—

- (a) if the employer who is required to deliver the certificate has not ceased to be an employer in relation to the employee concerned, **within 30 days** after the end of the period to which the certificate relates; or

- (b) if the employer has ceased to be an employer in relation to the employee concerned but has continued to be an employer in relation to other employees, **within 30 days** of the date on which he has so ceased; or
- (c) if the employer has ceased to be an employer, **within 14 days** of the date on which he has so ceased; or
- (d) at any other time specified by the Commissioner.

(4) A copy of the employees' tax certificate referred to in subparagraphs (a) and (b) of subparagraph (3) shall be furnished by the employer to the Commissioner **within 30 days** of the end of the year of assessment in question and a copy of the employees' tax certificate referred to in subparagraph (c) of subparagraph (3) shall be furnished by the employer to the Commissioner **within 14 days** of the date on which the employer ceased to be an employer.

(5) For the purposes of subparagraph (3), an employer shall, if the Commissioner having regard to the circumstances of the case so directs, be deemed not to have ceased to be an employer in relation to any of his casual employees who are likely from time to time to be re-employed by such employer.

Employees' tax certificate forms

15

(1) Employees' tax certificate forms and duplicate employees' tax certificate forms shall be produced by the employer in such form as the Commissioner may prescribe or approve for general use.

(2) In the case of an employer who has a **mechanised accounting system** the Commissioner may, subject to such conditions as he or she may impose, approve the use by such employer of employee's tax certificates in a form other than the form prescribed for general use, and if such employer fails to comply with the conditions imposed by the Commissioner, the Commissioner may withdraw his or her consent for the use of such certificates and the employer shall forthwith or from any date specified by the Commissioner cease to use such certificates and shall, within such period as the Commissioner may prescribe comply with any condition which may have been imposed by the Commissioner providing for the surrender to the Commissioner of all unused stocks of such certificates upon the employer so ceased to use such certificates.

substituted by Act 10/2003 from the 1st January, 2004.

(3) Subject to subparagraph (4), an employer shall not use for the purpose of furnishing an employee with an employees' tax certificate or duplicate employees' tax certificate any form other than the appropriate form supplied to him by the Commissioner.

(4) In the case of an employer who has a mechanized accounting system the Commissioner may, subject to such conditions as he may impose, approve the use by such employer of employee's tax certificates in a form other than the form prescribed for general use and if such employer fails to comply with the conditions imposed by the Commissioner, the Commissioner may withdraw his consent for the use of such certificates and the employer shall forthwith or from any date specified by the Commissioner cease to use such

certificates and shall, within such period as the Commissioner may prescribe comply with any condition which may have been imposed by the Commissioner providing for the surrender to the Commissioner of all unused stocks of such certificates upon the employer so ceased to use such certificates.

(5) An employer may, at the request of the employee or former employee, issue a duplicate employees' tax certificate but any such duplicate shall be clearly marked as such and shall disclose full details of the original certificate.

(6) Unless authorized thereto by the Commissioner, no duplicate employees' tax certificate may be issued by an employer otherwise than as provided in subparagraph (5).

(7) Every person who ceases to be an employer shall, unless the Commissioner otherwise directs, **within 14 days** of so ceasing, surrender to the Commissioner all unused employees' tax certificate form and duplicate employees' tax certificate forms supplied for the purposes of performing his duties as an employer under this Part.

(8) For the purposes of this Schedule, any employees' tax certificate on which appears the name or any trade name of any employer shall, until the contrary is proved, be deemed to have been issued by such employer if such certificate is in a form prescribed by the Commissioner for general use and was supplied by the Commissioner to such employer for use by him or is in a form approved by the Commissioner under subparagraph (4) for use by such employer.

(9) An employer shall not destroy but shall, until the Commissioner requires it to be surrendered to him, retain—

(a) in the case of a completed employees' tax certificate, any such certificate or copy thereof which has not been furnished to the Commissioner or an employee or former employee in terms of this *Schedule*; and

(b) any cancelled or spoiled employees' tax certificate and any copy thereof;

Provided that if at the **expiry of 6 years** from the end of the year of assessment in which any such certificate was completed, cancelled or spoiled, as the case may be, the Commissioner has not required it to be surrendered to him, the employer may destroy any such certificate and any such copy.

PART III

RIGHTS AND DUTIES OF EMPLOYEES

Statements to be furnished by employees

16

(1) Subject to subparagraph (2), every individual who becomes an employee shall, **within 7 days** after he becomes an employee, furnish his employer with a tax code declaration in such form and in such manner as may be prescribed, and every individual who is an employee shall furnish a fresh declaration **within 7 days** after the date on which any change in the particulars previously furnished, whether under this Act or the previous law, occurs or, if he falls within the terms of the public notice referred to in subparagraph (3), within 7 days after the date of publication in the *Gazette* of such notice:

Provided that until a fresh declaration is received or a directive is received from the Commissioner in terms of subparagraph (2) of paragraph 20 the employer shall regard the latest declaration submitted to him by the employee concerned as correct and shall continue to determine the amounts to be withheld by way of employees' tax in accordance with the particulars disclosed therein.

(2) If for any reason an employee does not wish to furnish the declaration referred to in subparagraph (1), he may instead apply to the Commissioner in such form as may be prescribed for the issue of a directive to his employer and in such case the Commissioner may issue a directive to the employer as provided in subparagraph (2) of paragraph 20.

(3) Subject to subparagraph (2) and notwithstanding any tax code declaration furnished in terms of subparagraph (1), the Commissioner may, by notice in the *Gazette*, require every person who falls within a classification specified in that notice to furnish his employer with a fresh declaration **within 7 days** after the date of publication of that notice.

Employees to furnish employees' tax certificate to the commissioner

17

(1) An employees' tax certificate furnished in terms of paragraph 14 shall be forwarded with any return for assessment required to be furnished by or on behalf of the employee in terms of Part V of this Act.

(2) No employees' tax withheld from the remuneration paid or payable to an employee in respect of any year of assessment shall be credited in terms of subparagraph (1) of paragraph 18 in payment of any tax payable by the employee in respect of that year unless an employees' tax certificate or a duplicate employees' tax certificate is forwarded to the Commissioner.

(3) It shall be the duty of any employee or former employee who has not received an employee's tax certificate within the time allowed by paragraph 14 forthwith to apply to the employer for such certificate.

PART IV

GENERAL PROVISIONS

Crediting of employees' tax

18

(1) On the determination of the income tax payable by an employee in respect of any year of assessment—

(a) the Commissioner shall—

(i) credit the amount of the employees' tax which is shown in the employees' tax certificate or in the duplicate employees' tax certificate as withheld in payment successively of—

A. the income tax payable by the employee in respect of that year; and

- B. any other tax or amount due and payable to the Commissioner by the employee;
- (ii) if the employee's tax withheld exceeds the amount of the employee's liability for income tax by US\$0,05 or more, refund the whole of such excess to the employee;

Amended by Act 13/2023 w.e.f. 29th December, 2023.

- (b) if the amount of the employee's liability for income tax exceeds by US\$0, 05 or more the sum of employees' tax withheld, the whole of such excess shall be payable by the employee to the Commissioner.

Amended by Act 13/2023 w.e.f. 29th December, 2023.

(2) The burden of proof that any amount of employees' tax has been withheld by his employer shall be upon the employee and any employees' tax certificate shall be *prima facie* evidence that the amount of employees' tax reflected therein has been withheld by the employer.

(3) If the Commissioner is satisfied that the amount or any portion of the amount of employees' tax shown in any employees' tax certificate has not been withheld by the employer and the amount of the employees' tax shown in the employees' tax certificate has been applied as provided in subparagraph (1), the employer and the employee shall be jointly and severally liable to pay to the Commissioner the amount which should not have been so applied and such amount shall be recoverable under this Act as if it were a tax.

(4) An employer who has under subparagraph (3) paid to the Commissioner an amount which has, but should not have been, applied under subparagraph (1), may, if the amount was shown or included in the certificate because of a *bona fide* error, recover the amount so paid from the employee concerned, and in that case subparagraph (2) of paragraph 12 shall apply, *mutatis mutandis*.

(5) No employees' tax certificate shall be issued by the employer in respect of any amount recovered by him from the employee in terms of subparagraph (4), nor shall any such amount be included in any return rendered in terms of subparagraph (2) of paragraph 4.

(6) If the Commissioner is satisfied that the employee to whom an employees' tax certificate refers was directly or indirectly responsible for an incorrect amount being shown in such certificate, he shall absolve the employer from the liability imposed upon him by subparagraph (3), and in that case the employee shall be solely liable under that subparagraph.

Refunds

19

No refund of any amount of employees' tax shall be made to the taxpayer concerned otherwise than as provided in paragraph 18.

Directives of the Commissioner

20

(1) In giving a directive or prescribing any person, matter or thing for the purposes of this *Schedule* the Commissioner may make different provision for different classes of employers, employees and other persons and for different classes of remuneration.

(2) In order to alleviate hardship to an employee due to illness or other circumstances or to correct any error in regard to the calculation of employees' tax, whether arising from the furnishing to an employer by an employee of a false or incorrect tax code declaration or otherwise, or where the employee has, in terms of subparagraph (2) of paragraph 16, applied to the Commissioner for the issue of a directive to his employer to enable the employer to withhold the correct amount by way of employees' tax, the Commissioner may, having regard to the circumstances of the case, issue a directive to the employer concerned authorizing the employer to refrain from withholding any amount under paragraph 3 by way of employees' tax from any remuneration due to the employee or to withhold by way of employees' tax a specified amount or an amount to be determined in accordance with a specified rate or scale, and the employer shall comply with such directive.

Directives regarding final deduction system

20A

(1) The Commissioner may direct any employer to withhold employees' tax from the remuneration of his employees in such a way as to ensure that the amount withheld in any year of assessment is as nearly as possible the same as the income tax payable by the employees concerned for that year of assessment.

(2) A directive in terms of subparagraph (1) may provide for—

(a) adjustments of the amount of employees' tax to be withheld from the remuneration of any employees to take account of—

(i) any credits referred to in [paragraph \(c\) of section seven](#) to which the employees may be entitled; and

(ii) any circumstances of the employees, including any additional income accruing to them, which affects their liability to income tax;

and

(iii) any alteration of the level of taxable income of employees, the rates of income tax with which employees are chargeable and the credits to which employees may be entitled, made by the charging Act during the year of assessment;

subpara (2(a)(iii) inserted by Act 18 of 2004 from the 1st January, 2004.

(b) refunds by the employer of amounts withheld by way of employees' tax;

(c) information to be furnished to the employer by his employees in regard to their liability for income tax.

(3) Directives in terms of subparagraph (1) shall have effect notwithstanding any other provision of this Schedule.

(4) An employer to whom a directive has been issued in terms of subparagraph (1) shall ensure that a document setting out the terms of the directive is available for inspection at all reasonable times by any employee who may be affected by it.

(5) The Commissioner shall not be liable to make any refund of income tax overpaid on account of any failure by an employer to make an appropriate adjustment of the amounts of employees' tax to be withheld or refunded in accordance with a directive issued in terms of subparagraph (1).

subpara (5) inserted by Act 18 of 2004 from 1 January, 2004.

Application of this Schedule to remuneration payable by the State

21

This Schedule shall, subject to such modifications and exceptions as the Commissioner may direct or prescribe, apply in relation to remuneration liable to employees' tax paid by the State and any individual to whom it is paid and to any officer responsible for its payment as if that officer were a person liable to pay remuneration or any employer, as the case may be.

Commissioner and Chief Immigration Officer to share data

21A

Paragraph 21A inserted by the section 15 of Finance Act 8/2022 gazetted on the 24th October, 2022.

(1) In this paragraph—

“**non-resident**”, in relation to an employee, means a person who is not a citizen or permanent resident of Zimbabwe, who comes or has come to take up employment in Zimbabwe

(2) For all purposes in connection with this *Schedule*, the Commissioner-General may seek and be given within the time specified (or within such extension of that time as the Chief Immigration Officer may request)—

- (a) all particulars of the immigration status of any named employers non-resident employee;
- (b) any data available to the Chief Immigration Officer concerning the number of work permits issued over any specified period to persons employed by named employers or any class of employers;
- (c) such other particulars in the possession of the Chief Immigration Officer as the Commissioner-General may request, if it is reasonable pertinent to the particulars or data furnished under paragraph (a) or (b).

Offences and penalties

22

(1) Any person who—

- (a) pays or becomes liable to pay any amount by way of remuneration and who fails to withhold therefrom any amount of employees' tax or to pay such amount to the Commissioner as is provided in paragraph 3; or
- (b) uses or applies any amount withheld by him by way of employees' tax for purposes other than the payment of such amount to the Commissioner; or
- (c) makes or issues or causes or allows to be made or issued or knowingly possesses or uses or causes or allows to be used any employees' tax certificate which is false; or
- (d) without just cause shown by him, fails to comply with any directive issued to him by the Commissioner in terms of subparagraph (2) of paragraph 20; or

Amended by Act No.27 of 2001 from the 1st January, 2002,
and substituted by Act 15/2002 from 30th December, 2002.

- (e) furnishes to his employer or to the Commissioner a false or misleading tax code declaration or gives any false information or misleads his employer in relation to any matter affecting the amount of employees' tax to be withheld in his case; or
- (f) fails or neglects to deliver to any employee or former employee an employees' tax certificate as required by paragraph 14; or
- (g) fails to comply with any condition imposed by the Commissioner in terms of paragraph 15 in regard to the manner in which employees' tax certificates or duplicate employees' tax certificates may be used or as to the surrender of unused stocks of such certificates or to account for used, unused or spoiled certificates when required by the Commissioner under that paragraph or on ceasing to be an employer fails to surrender unused certificates in his possession as required by that paragraph; or
- (h) fails or neglects to maintain any record as required by paragraph 4 or to retain such record for a period of **6 years** from the date of the last entry therein or to furnish to the Commissioner any return or any copy of any employees' tax certificate as required by that paragraph; or
- (i) fails or neglects to apply to the Commissioner for registration as an employer as required by subparagraph (1) of paragraph 2 or, having so applied, fails or neglects to notify the Commissioner of any change of his address or of the fact of his having ceased to be an employer as required by subparagraph (2) of that paragraph; or
- (j) alters any employees' tax certificate made or issued by any other person or falsely pretends to be the employee named in any employees' tax certificate or, for his own advantage or benefit, obtains credit with respect to or payment of the whole or any part of any amount of employees' tax withheld from remuneration paid or payable to another person; or

- (k) not being an employer and without being duly authorized by any person who is an employer, issues or causes to be issued any document purporting to be an employees' tax certificate;

shall be guilty of an offence and liable to a fine not exceeding level seven or to imprisonment for a period not exceeding six months or to both such fine and such imprisonment.

Penalty increased by Act 18/2000 from the 12th January, 2001, and by the Criminal Penalties Amendment Act 22 of 2001, from the 10th September, 2002, and further by Act 15/2002 from 30th December, 2002.

(2) For the purposes of subparagraph (b) of subparagraph (1), an amount which has been withheld by any person from remuneration shall, until the contrary is proved, be deemed to have been used or applied by such person for purposes other than the payment of such amount to the Commissioner if such amount is not paid to the Commissioner within the period allowed for payment under paragraph 3.

Commissioner deemed to be employer in certain circumstances

Paragraph repealed by the Criminal Penalties Amendment Act 22 of 2001 w.e.f. 20th May, 2002: and then re-inserted by Finance (No.2) Act 8 of 2014 w.e.f. 17th October, 2014.

23

(1) In this section—

“public entity” means —

- (a) any corporate body established by or in terms of any Act for special purposes;
- (b) any company in which the State has a controlling interest, whether by virtue of holding or controlling shares therein or by virtue of a right of appointment of members to the controlling body thereof or otherwise, and includes any company which is a subsidiary, as determined in accordance with [section 186 of the Companies and Other Business Entities Act \[Chapter 24:31\]](#) of such a body;
- (c) a local authority;
- (d) any partnership or joint venture between the State and any person and which is prescribed by the Minister for the purposes of the application of this Act to be a partnership or joint venture.

(2) Where —

- (a) in terms of paragraph 10(3) the Commissioner makes an assessment in which the amount of employees' tax for which an employer is personally liable by virtue of paragraph 10(1) is estimated (whether that assessment is made before or after the *date of commencement of the Finance (No. 2) Act, 2014)

the 17th October, 2014.];

and

(b) the employer concerned is —

- (i) a public entity; or
- (ii) any body or association of persons, whether incorporated or unincorporated, the majority of whose members are employees of the State who contribute to the funds of such body or association by means of deductions from their remuneration made by the State as their employer on behalf of such body or association;

and

(c) the public entity or body or association referred to in paragraph (b)—

- (i) fails, as an employer, to withhold an amount of employees' tax in terms of paragraph 3 and subsequently pays that amount in terms of paragraph 10; and
- (ii) having paid that amount in terms of paragraph 10 fails subsequently to recover that amount in terms of paragraph 12 from the employee from whose remuneration that amount should have been withheld;

the Commissioner shall be deemed to be the employer instead of the public entity or body or association referred to in paragraph (b) and —

(d) may recover that amount from the employee from whose remuneration that amount should have been withheld; and

(e) shall, for the purposes of subparagraph (d), have all the rights and powers that he or she has under this Act for recovering outstanding to tax.

(3) Notwithstanding subparagraph (b) of the definition of “**remuneration**” in paragraph 1(1), if a public entity or body or association referred to in subparagraph (2)(b)—

- (a) fails, as a payer, to withhold an amount of tax on non-executive directors' fees in accordance with the *Thirty-Third Schedule*; and
- (b) subsequently purports to pay that amount in terms of paragraph 10 as if the non-executive director's fees in question was “remuneration” for the purposes of this *Schedule*;

the non-executive director's fees in question shall be deemed to be “**remuneration**” and the director to whom such fees were paid shall be deemed to be an “**employee**” for the purposes of this *Schedule*.

(4) Accordingly, where a public entity or body or association referred to in subparagraph (2) fails subsequently to recover from the director from whose non-executive directors' fees an amount of tax on non-executive director's fees should have been withheld, [subsection \(2\)](#) shall apply as if the Commissioner is the employer and the amount in question is an amount of employees' tax.

FOURTEENTH SCHEDULE

Editor's Note: 'Growth Point Area' was deleted from the definition section 14(1) of the Finance Act by section 3 of the Finance (No.3) Act of 2009 w.e.f. the 8th January, 2010.
This Schedule was finally **repealed** by Act 3 of 2010 w.e.f. 17th September, 2010

FIFTEENTH SCHEDULE

[\(Section 28\)](#)

RESIDENT SHAREHOLDERS' TAX

Interpretation

1

(1) In this *Schedule*—

“company” means any company which is ordinarily resident in Zimbabwe;

“company limited by shares” means a company incorporated in Zimbabwe which is not a company limited by guarantee as described in paragraph (b) of section 76 of the *Companies and Other Business Entities Act [24:31]

[since 13th February, 2019-editor]**“dividend”** means any amount which is distributed by a company to its shareholders, but **excluding**—

(a) any amount so distributed by a building society which is not distributed as a dividend in respect of—

(i) in the case of the Central African Building Society, a paid-up permanent share — class “A”; and

(ii) in the case of the Founders Building Society, an ordinary permanent fully paid-up share; and

(iii) in the case of the Beverly Building Society, a foundation fully paid-up share or class “A” share

and

(b) any bonus shares;

what are – see *Delta Corporation Ltd v ZIMRA* [15-HH-621](#)

and

(c) any amount so distributed which, in the opinion of the Commissioner, is a return of the amount received by the company for its shares; and

(d) any amount so distributed by the **Industrial Development Corporation** of Zimbabwe Limited, in respect of its issued share capital; and

(e) any amount so distributed to the **Development Trust of Zimbabwe**, a body corporate established by notarial deed of trust on the 12th June, 1989; and

- (f) any amount so distributed by a **licensed investor** having a qualifying degree of export orientation which arises from its operations in a **special economic zone**;

Para (f) substituted by the Finance Act 2 of 2017 gazetted on 23rd March, 2017 backdated to the **1st January, 2017**.

and

- (g) any amount so distributed which in the opinion of the Commissioner, is a return of an amount contributed to the capital of a private business corporation by a member;
- (h) any amount so distributed by an **industrial park developer** which arises from the operation of his industrial park;
- (i) any amount deemed under this Act to be a dividend by virtue of the company in question exceeding the prescribed debt to equity ratio, if the company is one that the Minister certifies in writing has advanced **loans for the benefit of the State**;

subpara (i) inserted by Finance (No.3) Act 11 of 2014 with retrospective effect from the **1st November, 2013**

less any income tax which has been deducted from such amount in terms of [section twenty-five](#);

“nominee” means a person who holds the shares on which a dividend is paid directly or indirectly on behalf of another person;

“person”, in addition to the meaning given to the term in [section two](#), includes, in relation to income the subject of a trust to which a beneficiary is entitled, the trust;

“shareholder” includes a member of a private business corporation.

- (2) For the purpose of this *Schedule*, a dividend shall be deemed to be distributed when it is paid to the shareholder, credited to his account or so dealt with that he becomes entitled to it, whichever occurs first.

what happens thereafter is irrelevant see *Delta Corporation Ltd v ZIMRA* [15-HH-621](#)

- (3) For the purposes of this *Schedule*, a company shall be deemed to be ordinarily resident in the state or territory in which its central management and control is situated.

Companies to withhold the tax

2

- (1) Every company which distributes a dividend to—

- (a) a person, other than a statutory corporation, a company limited by shares, a private business corporation, a pension fund, a benefit fund or a medical aid society, who is ordinarily resident in Zimbabwe; or

(b) a partnership which is ordinarily resident in Zimbabwe;

shall withhold resident shareholders' tax from that dividend and shall pay the amount withheld to the Commissioner **within 10 days** of the date of distribution or within such further time as the Commissioner may for good cause allow.

Payment period shortened by Act 12/2006 from the 1st January, 2007, and further from 15 days to the above by the Finance (No.3) Act 10/2009 w.e.f. 8th January, 2010.

(2) The resident shareholders' tax shall be withheld in terms of subparagraph (1) notwithstanding any objection that may be lodged to any decision made by the Commissioner in terms of the definition of "**dividend**" in subparagraph (1) of paragraph 1.

(3) Where resident shareholders' tax is withheld in terms of subparagraph (1), the company shall provide the shareholder with a certificate, in the form approved by the Commissioner, showing—

- (a) the gross amount of the dividend; and
- (b) the amount, if any, of income tax deducted in terms of [section twenty-five](#); and
- (c) the amount of the resident shareholders' tax withheld.

Nominees to withhold the tax not deducted by company

(4) Any company which fails to provide a shareholder with a certificate in terms of subparagraph (3), or furnishes an incorrect certificate under that subparagraph, shall be guilty of an offence and liable to a fine not exceeding level five or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment:

Provided that, if it is proved that the company's conduct was wilful, it shall be liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Subpara (4) inserted by the Criminal Penalties Amendment Act 22 of 2001, w.e.f. 10th September, 2002 - to be amended to delete the imprisonment option - Editor.

Payment of tax where dividend deemed to have been paid in terms of [section 28\(2\)](#)

2A. Where a dividend is deemed to have been paid in terms of [subsection \(2\) of section twenty-eight](#), the company which is deemed to have paid the dividend shall pay resident shareholders' tax for that dividend upon written notification by the Commissioner of the tax due for that deemed dividend in accordance with the provisions on self-assessment as provided for in [section thirty-sevenA](#).

Para 2A inserted by section 24 of Act 18/2000 w.e.f. 1st January, 2001: and amended by the Finance Act 2 of 2017 gazetted on 23rd March, 2017 backdated to the **1st January, 2017**.

3

(1) Every nominee who receives on behalf of a shareholder who is—

- (a) a person, other than a statutory corporation, a company limited by shares, a pension fund, a benefit fund or a medical aid society, who is ordinarily resident in Zimbabwe; or

(b) a partnership which is ordinarily resident in Zimbabwe;

a dividend from which resident shareholders' tax has not been withheld by the company distributing the dividend, shall withhold resident shareholders' tax from that dividend and shall pay the amount withheld to the Commissioner **within 10 days** of receipt of that dividend.

Payment period shortened by Act 12/2006 from the 1st January, 2007, and further from 15 days to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8th January, 2010.

(2) Where resident shareholders' tax is withheld in terms of subparagraph (1), the nominee shall provide the shareholder with a certificate, in the form approved by the Commissioner, showing—

- (a) the gross amount of the dividend; and
- (b) the amount, if any, of income tax deducted in terms of [section twenty-five](#); and
- (c) the amount of the resident shareholders' tax withheld.

(3) Any nominee who fails to provide a shareholder with a certificate in terms of subparagraph (2), or furnishes an incorrect certificate under that subparagraph, shall be guilty of an offence and liable to a fine not exceeding level five or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment:

Provided that, if it is proved that the nominee's conduct was wilful, he shall be liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and

Subpara (3) inserted by the Criminal Penalties Amendment Act 22 of 2001, from the 10th September, 2002.

Shareholders to pay the tax not withheld by company or nominee

4

A shareholder to whom a dividend has been distributed from which resident shareholders' tax has not been withheld in terms of paragraph 2 or 3 or recovered in terms of [section seventy-seven](#) shall pay to the Commissioner **within 10 days** of the date of distribution of the dividend the tax that should have been withheld.

Payment period shortened by Act 12/2006 from the 1st January, 2007, and further from 15 days to the above by the Finance (No.3) Act 10/2009 with effect from the 8th January, 2010.

Returns to be furnished

5

Payment of the resident shareholders' tax by a company or nominee shall be accompanied by a return in the form prescribed.

Penalty for non-payment of the tax

6

(1) Subject to subparagraph (2), a company or a nominee in Zimbabwe who fails to withhold or to pay to the Commissioner any amount of resident shareholders' tax as provided in paragraph 2 or 3 shall be personally liable for the payment to the Commissioner, not later than the date on which payment should have been made in terms of paragraph 2 or 3, as the case may be, of—

(a) the amount of resident shareholders' tax which the company or nominee, as the case may be, failed to pay to the Commissioner; and

(b) a further amount equal to **100%** of such resident shareholders' tax.

Penalty increased by [Section 61](#) and the Schedule to the Finance Act 18/2000 from the 12th January, 2001

(2) The Commissioner, if he is satisfied in any particular case that the failure to pay to him resident shareholders' tax was not due to any intent to evade the provisions of this *Schedule*, may waive the payment of the whole or such part as he thinks fit or repay the whole or such part as he thinks fit of the amount referred to in subparagraph (b) of subparagraph (1).

(3) If a defaulting company or a nominee or agent referred to in subparagraph (1) does not pay the penalty in full on the date on which the default has ceased, interest, calculated at a rate to be fixed by the Minister by *statutory instrument*, shall be payable on so much of the penalty as remains unpaid by the company or nominee during the period beginning on the date the default has ceased and ending on the date the penalty is paid in full, and such interest shall be recoverable by the Commissioner by action in any court of competent jurisdiction:

See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#) gazetted on the 19th December, 2022 backdated to the 1st DECEMBER, 2022

Provided that in special circumstances the Commissioner may extend the time for payment of the penalty without charging interest.

Subpara (3) inserted by Act 8 of 2005 from the 1st January, 2006.

Refund of the tax

7

(1) If it is proved to the satisfaction of the Commissioner that any person has been charged with resident shareholders' tax—

(a) in excess of the amount properly chargeable in terms of this *Schedule*; or

(b) in respect of any dividend which has subsequently been rescinded with the approval of the Minister in order to comply with any conditions attaching to the payment of any dividend outside Zimbabwe in terms of the law relating to exchange control;

the Commissioner shall authorize a refund in so far as it has been overpaid or is in respect of any such dividend.

(2) If it is proved to the satisfaction of the Commissioner that the taxable income of any shareholder who is an individual and who had attained the age of **55** years prior to the commencement of the year of assessment, when aggregated with any dividends distributed to him and any interest as defined in the *Twenty-First Schedule* paid to him during the year of assessment—

age reduced from 59 years and amounts below stated in US\$ by Act 5/2009 w.e.f. the 30th September, 2009;
amended by Act 13/2023 w.e.f. 29th December, 2023.

- (a) does not exceed **US\$600**; or
- (b) exceeds **US\$600** but does not exceed **US\$720**; or
- (c) exceeds **US\$720** but does not exceed **\$840**; or
- (d) exceeds **US\$840** but does not exceed **US\$960**;

the Commissioner shall authorize a refund of a percentage of resident shareholders' tax withheld or paid, as follows—

- (i) in the case of an aggregate amount referred to in subparagraph (a), **100%** ;
- (ii) in the case of an aggregate amount referred to in subparagraph (b), **75%** ;
- (iii) in the case of an aggregate amount referred to in subparagraph (c), **50%** ;
- (iv) in the case of an aggregate amount referred to in subparagraph (d), **25%** :

Provided that, if the period of assessment is less than 12 months, the amounts specified in subparagraphs (a), (b), (c) and (d) shall be reduced proportionately.

(3) If it is proved to the satisfaction of the Commissioner that the taxable income of any shareholder who is an individual and who had not attained the age of **55** years prior to the commencement of the year of assessment, when aggregated with any dividends distributed to him and any interest as defined in the *Twenty-First Schedule* paid to him during the year of assessment—

age reduced from 59 years and amounts below stated in US\$ by Act 5/2009 w.e.f. the 30th September, 2009.

- (a) does not exceed **US\$480**; or
- (b) exceeds **US\$480** but does not exceed **US\$600**; or
- (c) exceeds **US\$600** but does not exceed **US\$720**; or
- (d) exceeds **US\$720** but does not exceed **US\$840** ;

amounts amended by Act 13/2023 w.e.f. 29th December, 2023.

the Commissioner shall authorize a refund of a percentage of resident shareholders' tax withheld or paid, as follows—

- (i) in the case of an aggregate amount referred to in subparagraph (a), **100%** ;

- (ii) in the case of an aggregate amount referred to in subparagraph (b), **75%** ;
- (iii) in the case of an aggregate amount referred to in subparagraph (c), **50%** ;
- (iv) in the case of an aggregate amount referred to in subparagraph (d), **25%**:

Provided that, if the period of assessment is **less than 12 months**, the amounts specified in subparagraphs (a), (b), (c) and (d) shall be reduced proportionately.

- (4) The Commissioner shall not authorize any refund in terms of this paragraph unless the claim therefor is made **within 6 years** of the date of payment of the tax.

prescription not to apply to claim not made with 3 years before period extended by legislation
Honda Sales (Pvt) Ltd v COT [00-HH-077](#)

SIXTEENTH SCHEDULE

(Repealed [Sections 29](#) and [94](#))

NON-RESIDENTS' TAX ON INTEREST

Repealed by Act 5/2009 w.e.f. the **30th September, 2009.**

SEVENTEENTH SCHEDULE

([Sections 30](#) and [95](#))

NON-RESIDENTS' TAX ON FEES

Interpretation

Mota Engenhari Construction SA v Zimra [22-SC-115](#)

1

- (1) In this *Schedule*, subject to subparagraph (2)—

“export market services” means services rendered wholly or exclusively for the purpose of seeking and exploiting opportunities for the **export of goods** from Zimbabwe or of creating, sustaining or increasing the demand for such exports and, without derogation from the generality of the foregoing, includes any of the **following services**—

- (a) research into, or the obtaining of information relating to, markets outside Zimbabwe;
- (b) research into the packaging or presentation of goods for sale outside Zimbabwe;
- (c) advertising goods outside Zimbabwe or otherwise securing publicity outside Zimbabwe for goods;
- (d) soliciting business outside Zimbabwe;

- (e) investigating or preparing information, designs, estimates or other material for the purpose of submitting tenders for the sale or supply of goods outside Zimbabwe;

See Income Tax (Non- resident's Tax on Fees) (**Shanghai** Construction Group Ltd) Regulations, 2019. [SI 38/2019](#)
and Income Tax (Exemption from Non-resident Tax on Fees) (**Konoike** Construction Coy Ltd) Notice, 2019. [SI 47/2019](#).

- (f) bringing prospective buyers to Zimbabwe from outside Zimbabwe;
- (g) providing samples of goods to persons outside Zimbabwe;

Definition inserted by Finance (No.3) Act 11 of 2014 w.e.f. the year of assessment beginning 1st January, 2015
M Coy (Pvt) Ltd v Zimra [21-SC-098](#)

"fees" means any amount from a source within Zimbabwe payable in respect of any services of a technical, managerial, administrative or consultative nature, but does not include any such amount payable in respect of—

"any amount" *Zimasco v ZIMRA* [16-HH-149](#)
commissions paid to agents *M Coy (Pvt) Ltd v Zimra* 16-HH-66 – on appeal [21-SC-098](#)
-services of a managerial or administrative nature *Standard Chartered Bank Zimbabwe Ltd v Zimra* [18-SC-023](#)
E (Pvt) Ltd v Zimra [22-HH-010](#)

- (a) services rendered to an individual unconnected with his business affairs; or
- (b) services rendered by any person in his capacity as an employee, other than a director, of the payer; or
- (c) education or technical training; or
- (d) the repair of goods outside Zimbabwe; or
- (e) any project which is specified for the purposes of this subparagraph by the Minister by notice in a *statutory instrument*;

the exemption Zambezi River Authority (**ZRA**)-**Kariba Dam** project specified in [GN 122/2015](#)
(Non-Residents Tax on Fees **Hwange Electricity Supply Coy**) (**Pvt**) Ltd Notice, 2019 [SI 141/2019](#).

or

- (f) any project which is the subject of any agreement entered into by the Government of Zimbabwe with any other government or international organization, which agreement—

Para (f) repealed and substituted by section 15 of the Finance Act 13/2023 w.e.f. 1st January, 2024.

- (i) has been adopted by the Government of Zimbabwe on the recommendation of the Public Agreements Advisory

Committee in accordance with the [International Treaties Act \[Chapter 3:05\]](#); and

- (ii) entitles any person to exemption from tax in respect of such amount; or
- (g) services rendered to a licensed investor in respect of its operations in a **special economic zone**;

Para (g) amended by the Finance Act 2 of 2017 gazetted on 23rd March, 2017 backdated to the 1st January, 2017.

or

- (h) services rendered to an industrial park developer in respect of the operation of his industrial park;
- (i) export market services rendered by an agent of a company that exports goods from Zimbabwe:

Provided, however, that the fees payable to the agent must **not exceed 5%** of the “**free on board value**” (as that phrase is defined in the [Customs and Excise Act \[Chapter 23:02\]](#)) of the exports of the company for the year of assessment concerned, as confirmed on acquittance by the company of the export documentation relating to its exports in that year;

Para (i) inserted by Finance (No.3) Act 11 of 2014 w.e.f. 1st January, 2015-

- (j) **non-executive fees** subject to tax in terms of the *Thirty-Third Schedule*;

Para (j) inserted by the Finance Act 2 of 2017 gazetted on 23rd March, 2017 backdated to the 1st January, 2017.

“**foreign company**” means a body corporate that is incorporated in a state or territory other than Zimbabwe under the laws of that state or territory;

*“**non-resident person**” means—

- (a) a person, other than a company, who; or
- (b) a partnership or foreign company which;

is not ordinarily resident in Zimbabwe, but **does not include** a person, partnership or foreign company operating in a **special economic zone**;

Definition substituted by the Finance Act No. of 2016 w.e.f. the 1st January, 2017.

“**payee**” means a non-resident person to whom fees are payable or paid;

“**payer**” means any person who or partnership which pays or is responsible for the payment of fees, including the State or a statutory corporation or any

person who or partnership which pays or is responsible for the payment of fees for or on behalf of the State or any statutory corporation.

(2) For the purposes of this *Schedule*—

- (a) fees shall be deemed to be from a source within Zimbabwe if the payer is a person who or partnership which is ordinarily resident in Zimbabwe;
- (b) in determining whether or not non-residents' tax on fees should be withheld, the question as to whether or not—
 - (i) the payer is a person or partnership ordinarily resident in Zimbabwe; or
 - (ii) the payee is a non-resident person;shall be decided by reference to the date on which the fees are paid by the payer;
- (c) fees shall be deemed to be paid to the payee if they are credited to his account or so dealt with that *the conditions under which he is entitled to them are fulfilled, whichever occurs first;

*do not refer to the granting of exchange control authority for the payment. *Barclays Bank of Zimbabwe v Zimra* [04-HH-162](#)
Standard Chartered Bank Zimbabwe Ltd v Zimra [18-SC-023](#)
SW (Pvt)(Ltd) v ZIMRA [19-HH-499](#)

- (d) a partnership shall—
 - (i) in relation to fees for services rendered by such partnership in the carrying on of any trade in Zimbabwe, be deemed to be ordinarily resident in Zimbabwe if at least 1 member of such partnership is ordinarily resident in Zimbabwe;
 - (ii) in relation to fees payable to a non-resident person, be deemed to be ordinarily resident in Zimbabwe if at least 1 member of such partnership is ordinarily resident in Zimbabwe.

Payers to withhold tax

2

(1) Every payer of fees to a non-resident person shall withhold non-residents' tax on fees from those fees and shall pay the amount withheld to the Commissioner **within 10 days** of the date of payment or within such further time as the Commissioner may for good cause allow.

Payment period shortened by Act 12/2006 from the 1st January, 2007, and further from 15 days to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8th January, 2010.
-whether the bank charges automatically raised by offshore banks holding appellant's Nostro accounts constituted fees income
G Bank Zimbabwe Ltd v ZIMRA [15-HH-207](#)

(2) Where non-residents' tax on fees is withheld in terms of subparagraph (1), the payer shall provide the payee with a certificate, in a form approved by the Commissioner, showing—

- (a) the amount of the fees; and
- (b) the amount of the non-residents' tax on fees withheld.

(3) Any payer who fails to provide a payee with a certificate in terms of subparagraph (2), or furnishes an incorrect certificate under that subparagraph, shall be guilty of an offence and liable to a fine not exceeding level five or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment:

Provided that, if it is proved that the payer's conduct was wilful, he shall be liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Subpara (3) inserted by the Criminal Penalties Amendment Act 22 of 2001, w.e.f. the 10th September, 2002.

Agents to withhold tax not deducted by payer

3

(1) Every agent who receives on behalf of a payee fees from which non-residents' tax on fees has not been withheld by the payer, shall withhold non-residents' tax on fees from those fees and shall pay the amount withheld to the Commissioner **within 10 days** of the date of the receipt of the fees.

Payment period shortened by Act 12/2006 from the 1st January, 2007, and further from 15 days to the above by the Finance (No.3) Act 10/2009 with effect from the 8th January, 2010.

- "fees" includes only money sourced from inside Zimbabwe, not the commissions paid thereon.
Sunfresh Enterprises (Pvt) Ltd v Zimra [04-HB-078](#) *Standard Chartered Bank Zimbabwe Ltd v Zimra* [18-SC-023](#)
commissions paid to agents *M Coy (Pvt) Ltd v Zimra* [16-HH-661](#)

(2) Where non-residents' tax on fees is withheld in terms of subparagraph (1), the agent shall provide the payee with a certificate in a form approved by the Commissioner, showing—

- (a) the name of the payer; and
- (b) the amount of the fees; and
- (c) the amount of non-residents' tax on fees withheld.

(2a) Any agent who fails to provide a payee with a certificate in terms of subparagraph (2), or furnishes an incorrect certificate under that subparagraph, shall be guilty of an offence and liable to a fine not exceeding level five or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment:

Provided that, if it is proved that the payer's conduct was wilful, he shall be liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Subpara (2a) inserted by the Criminal Penalties Amendment Act 22 of 2001, from the 10th September, 2002.

(3) For the purposes of this paragraph, a person shall be deemed to be the agent of a payee and to have received fees on behalf of that payee if—

- (a) that person's address appears in the payer's records as the address of the payee; and
- (b) the warrant or cheque in payment of the fees is delivered at that person's address.

(4) Any person deemed to be the agent of a payee in terms of subparagraph (3) shall, as regards the payee and in respect of any income received by or accruing to or in favour of the payee, have and exercise all the powers, duties and responsibilities of an agent for a taxpayer absent from Zimbabwe.

Payee to pay tax not withheld by payer or agent

4

A payee to whom fees have been paid from which non-residents' tax on fees has not been withheld in terms of paragraph 2 or 3 or recovered in terms of [section seventy-seven](#) shall pay to the Commissioner **within 10 days** of the date of payment of the fees the tax that should have been withheld.

Payment period shortened by Act 12/2006 from the 1st January, 2007, and further from 15 days to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8th January, 2010.

Returns to be furnished

5

Payment of the non-residents' tax on fees by a payer or an agent shall be accompanied by a return in the form prescribed.

Penalty for non-payment of tax

6

(1) Subject to subparagraph (2), a payer or an agent in Zimbabwe who fails to withhold or pay to the Commissioner any amount of non-residents' tax on fees as provided in paragraph 2 or 3 shall be personally liable for the payment to the Commissioner, not later than the date on which payment should have been made in terms of paragraph 2 or 3, as the case may be, of—

- (a) the amount of non-residents' tax on fees which the payer or the agent, as the case may be, failed to pay to the Commissioner; and
- (b) a further amount equal to **100%** of such non-residents' tax on fees.

Penalty increased by [Section 61](#) and the Schedule to the Finance Act 18/2000 from the 12th January, 2001.

LFCZ Ltd v ZIMRA [19-HH-164](#)
E (Pvt) Ltd v Zimra [22-HH-010](#)

(2) The Commissioner, if he is satisfied in any particular case that the failure to pay to him non-residents' tax on fees was not due to any intent to evade the provisions of this Schedule, may waive the payment of the whole or such part as he thinks fit or repay the whole or such part as he thinks fit of the amount referred to in subparagraph (b) of subparagraph (1).

(3)

Subpara (3) inserted by Act 8 of 2005 from 1st January, 2006. Penalty repealed by the Finance Act 1 of 2018 gazetted on the 14th March, 2018 with deemed effect from the **1st February 2009**.
- whether ZIMRA were entitled to charge interest - *Air Zimbabwe Corporation & 10 others v ZIMRA*
[03-HH-096](#)

Refund of tax on fees

7

If it is proved to the satisfaction of the Commissioner that any person or partnership has been charged with non-residents' tax on fees in excess of the amount properly chargeable in terms of this *Schedule*, the Commissioner shall authorize a refund in so far as it has been overpaid:

Provided that the Commissioner shall not authorize any refund in terms of this paragraph unless the claim therefor is made **within 6 years** of the date of payment of such tax.

EIGHTEENTH SCHEDULE

[\(Section 31\)](#)

NON-RESIDENTS' TAX ON REMITTANCES

Interpretation

1

(1) In this *Schedule*, subject to subparagraph (2)—

“allocable expenditure” means expenditure of a technical, managerial, administrative or consultative nature incurred outside Zimbabwe by a non-resident person in connection with or allocable to the carrying on by him of any trade within Zimbabwe;

“non-resident person” means a person who, or partnership which, is not ordinarily resident in Zimbabwe, but **does not include** a licensed investor;

“remittance” means the transfer of any amount from Zimbabwe to another country.

(2) For the purpose of this *Schedule*, in determining whether or not non-residents' tax on remittances should be paid, the question as to whether or not a person or a partnership is a non-resident person shall be decided by reference to the date on which the remittance is effected by such person or partnership.

Non-resident persons to pay tax

2

Any non-resident person who effects any remittance in respect of allocable expenditure shall in relation to such remittance pay non-residents' tax on remittances to the Commissioner **within 10 days** of the date of remittance or within such further time as the Commissioner may for good cause allow.

Payment period shortened by Act 12/2006 from the 1st January, 2007, and further from 15 days to the above by the Finance (No.3) Act 10/2009 with effect from the 8th January,2010.] Returns to be furnished

3

Payment of non-residents' tax on remittances by a non-resident person shall be accompanied by a return in the form prescribed.

Penalty for non-payment of tax

4

(1) Subject to the provisions of subparagraph (2), a non-resident person who fails to pay to the Commissioner any amount of non-residents' tax on remittances as provided in paragraph 2 shall be liable for the payment to the Commissioner of a further amount equal to **100%** of such non-residents' tax on remittances.

Penalty increased by [Section 61](#) and the Schedule to the Finance Act 18/2000 from the 12th January, 2001

(2) The Commissioner, if he is satisfied in any particular case that the failure to pay to him non-residents' tax on remittances was not due to any intent to evade the provisions of this *Schedule*, may waive the payment of the whole or such part as he thinks fit or repay the whole or such part as he thinks fit of the amount referred to in subparagraph (1).

(3)

Subpara (3) inserted by Act 8 of 2005 from 1st January, 2006. Penalty repealed by the Finance Act 1 of 2018 gazetted on the 14th March,2018 with deemed effect from the **1st February 2009**. whether ZIMRA were entitled to charge interest - *Air Zimbabwe Corporation & 10 others v ZIMRA* [03-HH-096](#).

Refund of tax on remittances

5

If it is proved to the satisfaction of the Commissioner that any non-resident person has paid non-residents' tax on remittances in excess of the amount properly payable in terms of this *Schedule*, the Commissioner shall authorize a refund in so far as it has been overpaid:

Provided that the Commissioner shall not authorize any refund in terms of this paragraph unless the claim therefor is made **within 6 years** of the date of payment of such tax.

NINETEENTH SCHEDULE

([Sections 32](#) and [96](#))

NON-RESIDENTS' TAX ON ROYALTIES

Interpretation

1

(1) In this Schedule, subject to subparagraph (2)—

“foreign company” means a body corporate that is incorporated in a state or territory other than Zimbabwe under the law of that state or territory;

“non-resident person” means—

(a) a person, **other than** a company, who; or

(b) a partnership or foreign company which;

is not ordinarily resident in Zimbabwe, but does **not include** a person, partnership or foreign company that is a licensed investor having a qualifying degree of export orientation ;

Definition amended by the Finance Act 2 of 2017 gazetted on 23rd March, 2017 backdated to the 1st January, 2017.

“payee” means a non-resident person to whom royalties are payable or paid;

“payer” means any person who or partnership which pays or is responsible for the payment of royalties, including the State or a statutory corporation or any person who pays or is responsible for the payment of royalties for or on behalf of the State or any statutory corporation, but not including a licensed investor or any person acting on his behalf;

“royalties” means any amount from a source within Zimbabwe payable as a consideration for the use of, or the right to use, any literary, dramatic, musical, artistic, scientific or other work whatsoever (including cinematograph films or recordings) in which any copyright exists, any patented article, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience, but does not include any such amount payable in respect of—

(a) any project which is specified for the purposes of this subparagraph by the Minister of notice in a *statutory instrument*;

see Exemption (Non-resident's Tax on Royalties) (Andalusia Investments (Pvt) Ltd, trading as Zimborders) Notice, 2019. SI 45/2019
Hwange Electricity Supply Coy)(Pvt) Ltd Notice, 2019 [SI 141/2019](#).

or

(b) any project which is the subject of any agreement entered into by the Government of Zimbabwe with any other government or international organization, which agreement—

- (i) has been adopted by the Government of Zimbabwe on the recommendation of the Public Agreements Advisory Committee in accordance with the [International Treaties Act \[Chapter 3:05\]](#); and
- (ii) entitles any person to exemption from tax in respect of such amount;

Para (b) substituted by section 15 of the Finance Act 13/2023 w.e.f. 1st January, 2024.

or

“**use**”, in relation to any work in which any copyright exists or any patented article, means the doing of any thing which would infringe the copyright or patent concerned if it were done without the permission or authority of the holder of the copyright or patent or his agent or assignee.

(2) For the purposes of this *Schedule*—

- (a) royalties shall be deemed to be from a source within Zimbabwe if—
 - (i) the payer is a person who or a partnership which is ordinarily resident in Zimbabwe; or
 - (ii) they are payable by virtue of the use in Zimbabwe or the grant of permission to use in Zimbabwe any property referred to in the definition of “royalties” in [subsection \(1\)](#);
- (b) in determining whether or not non-residents’ tax on royalties should be withheld, the question as to whether or not—
 - (i) the payer is a person or partnership ordinarily resident in Zimbabwe; or
 - (ii) the payee is a non-resident person;
 shall be decided by reference to the date on which the royalties are paid by the payer;
- (c) royalties shall be deemed to be paid to the payee if they are credited to his account or so dealt with that the conditions under which he is entitled to them are fulfilled, whichever occurs first;
- (d) a partnership shall—
 - (i) in relation to royalties payable to such partnership in the carrying on by it of any trade in Zimbabwe, be deemed to be ordinarily resident in Zimbabwe if at least one member of such partnership is ordinarily resident in Zimbabwe;
 - (ii) in relation to royalties payable to a non-resident person, be deemed to be ordinarily resident in Zimbabwe if at least 1 member of such partnership is ordinarily resident in Zimbabwe.

Payers to withhold tax

(1) Every payer of royalties to a non-resident person shall withhold non-residents' tax on royalties from those royalties and shall pay the amount withheld to the Commissioner **within 10 days** of the date of payment or within such further time as the Commissioner may for good cause allow.

Payment period shortened by Act 12/2006 from the 1st January, 2007, and further from 15 days to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8th January, 2010.

(2) Where non-residents' tax on royalties is withheld in terms of subparagraph (1), the payer shall provide the payee with a certificate, in a form approved by the Commissioner, showing—

- (a) the amount of the royalties; and
- (b) the amount of the non-residents' tax on royalties withheld.

Agents to withhold tax not deducted by payer

(3) Any payer who fails to provide a payee with a certificate in terms of subparagraph (2), or furnishes an incorrect certificate under that subparagraph, shall be guilty of an offence and liable to a fine not exceeding level five or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment:

Provided that, if it is proved that the payer's conduct was wilful, he shall be liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Subpara (3) inserted by the Criminal Penalties Amendment Act 22 of 2001, from the 10th September, 2002.

3

(1) Every agent who receives on behalf of a payee royalties from which non-residents' tax on royalties has not been withheld by the payer, shall withhold non-residents' tax on royalties from those royalties and shall pay the amount withheld to the Commissioner **within 10 days** of the date of receipt of the royalties.

Payment period shortened by Act 12/2006 from the 1st January, 2007, and further from 15 days to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8th January, 2010.

(2) Where non-residents' tax on royalties is withheld in terms of subparagraph (1), the agent shall provide the payee with a certificate, in a form approved by the Commissioner, showing—

- (a) the name of the payer; and
- (b) the amount of the royalties; and
- (c) the amount of the non-residents' tax on royalties withheld.

(2a) Any agent who fails to provide a payee with a certificate in terms of subparagraph (2), or furnishes an incorrect certificate under that subparagraph, shall be guilty of an offence and liable to a fine not exceeding level five or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment:

Provided that, if it is proved that the agent's conduct was wilful, he shall be liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Subpara (2a) inserted by the Criminal Penalties Amendment Act 22 of 2001, t from the 10th September, 2002.

(3) For the purposes of this paragraph, a person shall be deemed to be the agent of a payee and to have received royalties on behalf of that payee if—

- (a) that person's address appears in the payer's records as the address of the payee; and
- (b) the warrant or cheque in payment of the royalties is delivered at that person's address.

(4) Any person deemed to be the agent of a payee in terms of subparagraph (3) shall, as regards the payee and in respect of any income received by or accruing to or in favour of the payee, have and exercise all the powers, duties and responsibilities of an agent for a taxpayer absent from Zimbabwe.

Payee to pay tax not withheld by payer or agent

4

A payee to whom royalties have been paid from which non-residents' tax on royalties has not been withheld in terms of paragraph 2 or 3 or recovered in terms of [section seventy-seven](#) shall pay to the Commissioner **within 10 days** of the date of payment of the royalties the tax that should have been withheld.

Payment period shortened by Act 12/2006 from the 1st January, 2007, and further from 15 days to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8th January, 2010.

Returns to be furnished

5

Payment of the non-residents' tax on royalties by a payer or an agent shall be accompanied by a return in the form prescribed.

Penalty for non-payment of tax

6

(1) Subject to subparagraph (2), a payer or an agent in Zimbabwe who fails to withhold or pay to the Commissioner any amount of non-residents' tax on royalties as provided in paragraph 2 or 3 shall be personally liable for the payment to the Commissioner, not later than the date on which payment should have been made in terms of paragraph 2 or 3, as the case may be, of—

- (a) the amount of non-residents' tax on royalties which the payer or the agent, as the case may be, failed to pay to the Commissioner; and
- (b) a further amount equal to **100%** of such non-residents' tax on royalties.

Penalty increased by [Section 61](#) and the Schedule to the Finance Act 18/2000 from the 12th January, 2001

(2) The Commissioner, if he is satisfied in any particular case that the failure to pay to him non-residents' tax on royalties was not due to any intent to evade the provisions of this *Schedule*, may waive the payment of the whole or such part as he thinks fit or repay the whole or such part as he thinks fit of the amount referred to in subparagraph (b) of subparagraph (1).

(3)

Subpara (3) inserted by Act 8 of 2005 from 1st January, 2006. Penalty repealed by the Finance Act 1 of 2018 gazetted on the 14th March, 2018 with deemed effect from the **1st February 2009**. whether ZIMRA were entitled to charge interest - *Air Zimbabwe Corporation & 10 others v ZIMRA* [03-HH-096](#)

Refund of tax on royalties

7

If it is proved to the satisfaction of the Commissioner that any person or partnership has been charged with non-residents' tax on royalties in excess of the amount properly chargeable in terms of this *Schedule*, the Commissioner shall authorize a refund in so far as it has been overpaid:

Provided that the Commissioner shall not authorize any refund in terms of this paragraph unless the claim therefor is made **within 6 years** of the date of payment of such tax.

TWENTIETH SCHEDULE

([Sections 8 \(1\) \(p\)](#) and [15 \(2\) \(ee\)](#))

DETERMINATION OF GROSS INCOME & TAXABLE INCOME OR ASSESSED LOSS FROM PETROLEUM OPERATIONS

Interpretation

1

(1) In this Schedule—

“allowable deduction” means a deduction allowable under this *Schedule*;

“asset” includes any part or share of an asset or interest in an asset;

“assessed loss attributable to petroleum operations” means any such loss determined by applying the provisions of paragraph 2;

“capital expenditure” has the meaning given by subparagraph (2);

“chargeable petroleum”, in relation to a petroleum operator, means petroleum obtained by the operator from petroleum operations carried on by the operator;

“disposed of ”, in relation to petroleum, has the meaning given by subparagraph (3) of paragraph 3;

“income attributable to petroleum operations” means the aggregate of the amounts referred to in subparagraph (1) of paragraph 3;

“petroleum information” means geological, geophysical and technical information, being information that relates to the presence, absence or extent of deposits of petroleum in any area in Zimbabwe;

“residential unit” means an apartment, flat, house whether detached, semi-detached or terraced, or similar unit of residential accommodation;

“taxable income attributable to petroleum operations” means any such income determined by applying the provisions of paragraph 2.

(2) Capital expenditure of a petroleum operator in relation to a petroleum special grant is expenditure incurred by the petroleum operator in relation to that special grant —

- (a) in exploring for petroleum and ascertaining and testing the extent and characteristics of any such discovery, including such costs of—
 - (i) geological, geophysical, geochemical, aerial, magnetic, gravity, seismic and other surveys and all processing analyses, interpretations and studies related thereto;
 - (ii) drilling of shot holes, core holes, bore holes, water holes and holes for the discovery and delineation of petroleum reservoirs;
 - (iii) appraisal of surveys and drilling, including the drilling and testing of exploration and appraisal wells and all reservoir studies;
- (b) in preparing for drilling or drilling and maintaining development or production wells, including all costs of labour, fuel, repairs, hauling and supplies and materials without salvage value;
- (c) in the acquisition of petroleum information or on reservoir studies;
- (d) on the provision of plant, machinery and equipment for the exploration for, and the development and production of, petroleum;
- (e) on the construction of any buildings, structures or works for the purpose of petroleum operations, including the provision of residential accommodation and associated facilities for employees of the petroleum operator and their dependants, and including any premium or consideration in the nature of a premium paid for the use of buildings, structures, works or land required for petroleum operations;
- (f) on the provision of any transportation or communication facilities required for the conduct of petroleum operations;
- (g) on the provision of office equipment and furniture in any building required for petroleum operations;

- (h) on the preparation of sites for production, including studies on the environmental impact of petroleum operations, engineering and design studies, delineation work and feasibility studies, done to determine the best means of conducting petroleum operations; and
- (i) prior to the year of assessment in which the petroleum operator first produces petroleum under a programme of continuous production and sale—
 - (i) on general administration and management for the purposes of petroleum operations;
 - (ii) on the education and training of citizens of Zimbabwe at an educational or technical institution, approved by the Commissioner, on attachment with a petroleum operator or an affiliate of a petroleum operator, in any aspect of operations for the discovery or recovery of petroleum;
- (j) in pursuance of a plan approved by the Minister responsible for the administration of the [Mines and Minerals Act \[Chapter 21:05\]](#), in relation to the closing down of an oil field or any part of it;
- (k) on any permanent building used for the purposes of—
 - (i) a school; or
 - (ii) a hospital, nursing home or clinic.

Determination of taxable income or assessed loss

2

The taxable income or, as the case may be, the assessed loss, attributable to petroleum operations, accruing to a petroleum operator in any year of assessment, shall be the difference, if any, between the income so attributable accruing to the petroleum operator in the year of assessment and the sum of the allowable deductions of the petroleum operator for the year of assessment; and that difference, if any, is a taxable income if the income so attributable is greater than the sum of those allowable deductions, and is otherwise an assessed loss.

Income from petroleum operations

3

(1) For the purposes of paragraph (p) of the definition of “gross income” in [subsection \(1\) of section eight](#), the amounts received by or accruing to, or deemed to have been received by or accrued to, a petroleum operator in a year of assessment include—

- (a) the fair market value, established as provided in subparagraph (2), of so much of the petroleum operator’s chargeable petroleum as was disposed of in the year of assessment; and
- (b) any amount received or receivable in the year of assessment by the petroleum operator under a policy of insurance or otherwise in respect of the loss or destruction of any of the petroleum operator’s chargeable petroleum; and

- (c) any interest or other amount derived by the petroleum operator in the year of assessment from or in connection with petroleum operations carried on by the petroleum operator; and
 - (d) any amount to be included in the gross income of the petroleum operator in the year of assessment pursuant to subparagraph (2) of paragraph 8; and
 - (e) any amount allowed to be deducted under paragraph 4, whether in the current or in any previous year of assessment, which has been recovered or recouped; and
 - (f) any amount or value referred to in paragraph (d), (e), (h), (k), (l) or (m) of the definition of “gross income” in [subsection \(1\) of section eight](#).
- (2) The fair market value, in relation to a disposal of petroleum, is—
- (a) the value established in relation to the disposal by reference to criteria for the determination of that value specified in the petroleum special grant under the authority of which the petroleum was won; or
 - (b) where there are no criteria, such as are referred to in subparagraph (a), the value established in relation to the disposal under and in accordance with such rules as are prescribed.
- (3) Petroleum is disposed of if it is—
- (a) sold, donated or bartered; or
 - (b) appropriated to refining or other processing in Zimbabwe without having been sold, donated or bartered prior to appropriation; or
 - (c) exported without having been sold or bartered prior to export.
- (4) Except as is provided in subparagraph (1), the amounts referred to in paragraphs (a) to (o) of the definition of “gross income” in [subsection \(1\) of section eight](#) shall not, in the case of the petroleum operations of a petroleum operator, constitute income attributable to petroleum operations.

Deductions allowed in determining taxable income from petroleum operations

4

- (1) Subject to [subsection \(1\) of section sixteen](#) and paragraph 5, for the purpose of determining the taxable income attributable to the petroleum operations of any petroleum operator, there shall be deducted from the income so attributable of the petroleum operator the amounts allowed to be deducted in terms of this paragraph.
- (2) The deductions allowed shall be—
- (a) expenditure and losses incurred wholly and exclusively for the purposes of petroleum operations, including expenditure so incurred—
 - (i) for repairs to any building structure, works, plant, machinery, implements, utensils or articles held, occupied or used for the purpose of carrying on petroleum operations; and

- (ii) in respect of rent for land or buildings in Zimbabwe occupied for the purpose of carrying on petroleum operations; and
 - (iii) in respect of interest on, or in borrowing or obtaining, a loan or other form of credit;

but does not include expenditure or losses of a capital nature;
- (b) expenditure and losses incurred wholly and exclusively for the purpose of petroleum operations in respect of any matter for which—
 - (i) a deduction is allowable in terms of [paragraph \(a\), \(h\), \(i\), \(m\), \(o\), \(q\), \(r\), \(u\), \(aa\) or \(bb\) of subsection \(2\) of section fifteen](#); or
 - (ii) an allowance is provided for in paragraph 6.
- (3) Where any expenditure or losses referred to in subparagraph (2) are incurred as part of or in conjunction with any other expenditure, only that proportion of the total expenditure or losses, as the case may be, which is wholly and exclusively incurred for the purposes of petroleum operations shall be allowed as a deduction in terms of this paragraph.
- (4) For the purpose of determining the taxable income attributable to petroleum operations of any petroleum operator in a year of assessment, there shall be deducted any assessed loss, determined under this *Schedule* for the previous year of assessment, from the income remaining after the deductions referred to in subparagraph (2) and [sections seventeen](#) and [eighteen](#) have been made.
- (5) The provisos to [subsection \(3\) of section fifteen](#) shall apply in relation to subparagraph (3) as they apply in relation to that subsection.
- (6) Where—
 - (a) a petroleum special grant ceases to have effect, otherwise than by reason of cancellation, and, at the date thereof, the petroleum operator is not then a petroleum operator in relation to any other petroleum special grant; and
 - (b) an assessed loss, determined under this *Schedule*, of the petroleum operator remains undischarged after that date; and
 - (c) the petroleum operator becomes, **within 5 years** after that date, a grantee of a petroleum special grant;

that assessed loss, to the extent that it remains undischarged when the petroleum operator becomes such a grantee, shall be deemed to be the assessed loss or part of the assessed loss, as the case may be, of the petroleum operator determined for the year of assessment in which the petroleum operator became such a grantee, and [subsection \(3\) of section fifteen](#) shall apply accordingly.
- (7) [Subsection \(4\) of section fifteen](#) shall have effect for the purposes of this Schedule as it has effect for the purposes of that section.

Limitations on allowable deductions

(1) No deduction shall be allowed under paragraph 4 in respect of—

- (a) any expenditure, other than payments to the Government in the nature of royalty payments, wholly or partly depending on, or determined by reference to, the quantity or value of, or the profits from, petroleum won by a petroleum operator; or
- (b) any amount which—
 - (i) is payable to the government in terms of any provision in a petroleum special grant under which the amount is calculated by reference to the profitability of the petroleum operator's petroleum operations or on the rate of return on the operator's investment in those operations or in any similar manner; and
 - (ii) by the terms and conditions of the petroleum special grant is calculated on an after-tax basis;

or

- (c) any expenditure to the extent that it is incurred to produce income which is not attributable to petroleum operations; or
- (d) any expenditure such as is referred to in subparagraph (iii) of subparagraph (a) of subparagraph (2) of paragraph 4—
 - (i) unless the Commissioner is satisfied that the loan or credit has been or is being used for the purpose of petroleum operations; or
 - (ii) to the extent that the interest concerned exceeds the commercial rate payable by a borrower dealing at arms' length with the lender; or
 - (iii) to the extent that any expenditure incurred exceeds the amount that would have been agreed upon by a person dealing at arm's length with the person providing the loan or credit concerned;

or

- (e) any expenditure on a residential unit used for housing employees of the petroleum operator, to the extent that the expenditure exceeds—
 - (i) fifteen thousand dollars, where it was incurred before the 1st April, 1991; or
 - (ii) thirty thousand dollars, where it was incurred in the year of assessment beginning on the 1st April, 1991; or
 - (iii) thirty-five thousand dollars, where it was incurred on or after the 1st April, 1992, but before the 1st April, 1995; or
 - (iv) fifty thousand dollars, where it was incurred on or after the 1st April, 1995, but before the 1st January, 1999; or
 - (v) one hundred thousand dollars, where it was incurred on or after the 1st January, 1999; or

- (vi) **US\$10,000** incurred by the taxpayer, where the expenditure was incurred on or after the 1st January 2009;

subpara (vi) inserted by Act 5/2009 w.e.f. the 30th September, 2009;
amended by Act 13/2023 w.e.f. 29th December, 2023.

- (f) any expenditure on a passenger motor vehicle as defined in subparagraph (2) of paragraph 13 of the *Fourth Schedule*, to the extent that the expenditure exceeds—
- (i) twenty-two thousand dollars, where it was incurred before the 1st April, 1991; or
 - (ii) thirty thousand dollars, where it was incurred in the year of assessment beginning on the 1st April, 1991; or
 - (iii) fifty thousand dollars, where it was incurred on or after the 1st April, 1992, but before the 1st April, 1995; or
 - (iv) seventy-five thousand dollars, where it was incurred on or after the 1st April, 1995, but before the 1st January, 1999; or
 - (v) two hundred thousand dollars, where it was incurred on or after 1st January, 1999;
 - (vi) **US\$10,000** incurred by the taxpayer, where the expenditure was incurred on or after the **1st January 2009**:

subpara (vi) inserted by Act 5/2009 w.e.f. 30th September, 2009;
amended by Act 13/2023 w.e.f. 29th December, 2023.

- (g) any expenditure on any permanent building used for purposes of a school, hospital, nursing home or clinic—
- (i) unless it is proved to the satisfaction of the Commissioner that, at the relevant time—
 - A. in the case of a **school**, more than $\frac{1}{2}$ of the pupils are children of persons employed by the petroleum operator in carrying on petroleum operations; or
 - B. in the case of a **hospital**, nursing home or clinic, more than $\frac{1}{2}$ of the persons receiving treatment thereat are employed by the petroleum operator in carrying on petroleum operations or are members of the families of persons who are so employed;
- or
- (ii) to the extent that the expenditure exceeds—
 - A. in respect of any residential unit used by staff employed at the school, hospital, nursing home or clinic—

- I. fifteen thousand dollars, where the expenditure was incurred before the 1st April, 1991; or
- II. thirty thousand dollars, where the expenditure was incurred in the year of assessment beginning on the 1st April, 1991; or
- III. thirty-five thousand dollars, where the expenditure was incurred on or after the 1st April, 1992, but before the 1st April, 1995; or
- IV. fifty thousand dollars, where the expenditure was incurred on or after the 1st April, 1995, but before the 1st January, 1999; or
- V. **US\$100,000**, where the expenditure was incurred on or after the 1st January, 1999;

Subpara V amended by Act 13/2023 w.e.f. 29th December, 2023.

or

- B. in respect of any one such school, hospital, nursing home or clinic—
 - I. one hundred thousand dollars, where the expenditure was incurred before the 1st April, 1993;
 - II. two hundred and fifty thousand dollars, where the expenditure was incurred on or after the 1st April, 1993, but before the 1st April, 1995; or
 - III. five hundred thousand dollars, where the expenditure was incurred on or after the 1st April, 1995, but before the 1st January, 1999; or
 - IV. **US\$25,000**, where the expenditure was incurred on or after the 1st January, 1999.

Subpara IV amended by Act 13/2023 w.e.f. 29th December, 2023.

(2) Where petroleum is disposed of, no deduction shall be allowed in respect of any cost of the transportation of the petroleum—

- (a) outside Zimbabwe; or
- (b) if applicable, within Zimbabwe, beyond the point of disposal as defined in the petroleum special grant under which the petroleum was won.

(3) Except as provided in paragraph 4, no deduction shall, as regards income attributable to petroleum operations, be made in respect of allowances or deductions referred to in [subsection \(2\) of section fifteen](#).

(4) No deduction shall be made in regard to any bonus payment made by a petroleum operator or taxpayer in respect of the signing of a petroleum agreement.

Allowances in respect of capital expenditure

6

Where in any year of assessment a petroleum operator incurs capital expenditure for the purpose of petroleum operations, that expenditure shall be allowed as a deduction for the purpose of determining the taxable income or assessed loss, as the case may be, of the petroleum operator in the year of assessment.

Assignment of petroleum special grant

7

(1) Where a petroleum special grant is assigned in any year of assessment under Part XX of the [Mines and Minerals Act \[Chapter 21:05\]](#) by a petroleum operator, the petroleum operator and the assignee shall jointly furnish to the Commissioner a statement in writing—

- (a) identifying any asset to which this paragraph applies which passed to the assignee on the assignment; and
- (b) stating the proportion of the consideration given for the assignment which appertains to that asset or, where no consideration was given, the value of that asset.

(2) Where—

- (a) a statement is furnished in terms of subparagraph (1) and the Commissioner is satisfied with it, the proportion of the consideration or, as the case may be, the value, stated in the statement shall, for the purposes of paragraph 6, rank as capital expenditure incurred by the assignee, and shall, for the purposes of paragraph 8, rank as a recovery of capital expenditure by the assignor, in respect of the asset; or
- (b) the Commissioner is not satisfied with a statement furnished in terms of subparagraph (1) or if no such statement is furnished, the Commissioner may determine the amount which appertains to the asset and that amount shall rank as provided in subparagraph (a).

(3) This paragraph applies to any asset, used for carrying on petroleum operations, in respect of which a deduction has been allowed under paragraph 6 for the purpose of determining the taxable income of the petroleum operator making the assignment.

Disposal, loss, etc., of asset

8

(1) This paragraph applies where, in a year of assessment, any asset of a petroleum operator—

- (a) in respect of which a deduction under paragraph 6 has been allowed for the purpose of determining the taxable income of the petroleum operator, is disposed of, lost or destroyed;

or

- (b) to which paragraph 7 applies, passes to an assignee in circumstances such as are referred to in that paragraph.

(2) Where this paragraph applies, the income of the petroleum operator in the year of assessment shall include the amount of the deduction allowed in respect of the asset concerned, to the extent that the deduction has been recovered or recouped as a result of the disposal, loss, destruction or passing of that asset, for the purpose of determining the taxable income of the petroleum operator.

Returns and liability to tax

9

Nothing in this *Schedule* shall be construed as relieving a petroleum operator from—

- (a) the obligation of rendering returns of income in respect of income, other than income attributable to petroleum operations, derived by the petroleum operator, and
- (b) any liability to tax in respect of income, not so attributable, referred to in subparagraph (a).

Information in returns

10

A petroleum operator shall specify separately in a return rendered in respect of the petroleum operator's petroleum operations the income attributable to those operations and shall furnish information with respect to the following matters—

- (a) the quantity of the petroleum operator's chargeable petroleum won and saved;
- (b) the total quantity of that petroleum disposed of, the manner of each disposal making up that total and the fair market value in relation to each disposal;
- (c) in the case of petroleum won and saved that is lost or destroyed, the quantity lost or destroyed and the amount received or receivable under a policy of insurance or otherwise in respect of the petroleum;
- (d) any amount included in the income of the petroleum operator pursuant to subparagraph (2) of paragraph 8;
- (e) any interest or other amount derived by the petroleum operator from petroleum operations;
- (f) the amount of all the allowable deductions claimed;
- (g) the amount of each allowable deduction claimed and particulars of that amount;
- (g1) any asset in relation to which paragraph 7 or subparagraph (1) of paragraph 8 applies;

Para (h) is not in the Revised Edition of 1996 – Editor .

- (i) the amount of the taxable income, if any, or the assessed loss;
- (j) the amount, if any, of tax payable;
- (k) such other information as the Commissioner may require.

Maintenance of books in foreign currency, etc.

11

Where a taxpayer that is a petroleum operator elects, which election shall be final, to maintain all books and records relating to petroleum operations in the currency of the United States of America—

- (a) the Commissioner shall determine the taxable income or assessed loss attributable to petroleum operations for any year of assessment in that currency; and
- (b) notice of assessment and of any amount of tax payable shall be given to the taxpayer in that currency; and
- (c) payment of tax shall be effected in that currency.

TWENTY-FIRST SCHEDULE

[\(Section 34\)](#)

RESIDENTS' TAX ON INTEREST

Interpretation

1

(1) In this Schedule—

“**financial institution**” means—

- (a) any banking institution registered or required to be registered in terms of the [Banking Act \[Chapter 24:20\]](#); or

Para (a) amended by [s 82](#) of, and schedule to, the [Banking Act \[Chapter 24:20\]](#), and further amended by section 25 of Act 18/2000 from the 1st January, 2001].

- (b) any building society registered or required to be registered in terms of the [Building Societies Act \[Chapter 24:02\]](#); or
- (c) the Reserve Bank of Zimbabwe;

Para (c) inserted by s 28(a)(i) of Act 17 of 1997.

- (d) a company acting as trustee or manager of a unit trust scheme registered in terms of the [Collective Investment Schemes Act, \[Chapter 24:19\]](#), the Infrastructure Development Bank of Zimbabwe established in terms of the [Infrastructure Development Bank of Zimbabwe Act \[Chapter 24:14\]](#) and the successor company to the Agricultural Finance Corporation formed under the [Agricultural Finance Act \[Chapter 18:02\]](#); or

Para (d) inserted by Act 18/2000 w.e.f. the 1st January, 2001
and amended by Act 11 of 2005 from 24th March , 2006.

- (e) an asset manager as defined in the [Asset Management Act \[Chapter 24:26\]](#); or
- (f) a collective investment scheme as defined in [section 3 of the Collective Investment Schemes Act \[Chapter 24:19\]](#);

(paras (e) and (f) were inserted by S.I.14/ 2004 w.e.f. 30th January,2004,confirmed by Act 16 of 2004. Paras (c) & (d) were overlooked, so these new subparas are renumbered, with “or” added by the Editor for sense’s sake. Para (f) duplicates para (d) re: *Chap 24:19*.

“foreign currency account” means an account held at a bank or other financial institution in Zimbabwe in which the funds are denominated in a foreign currency;

“interest” means interest from a source in Zimbabwe payable **by a financial institution** on any loan or deposit, and—

- (a) includes—
 - (i) a dividend distributed by a building society in respect of any share other than a share referred to in subparagraph (i), (ii) or (iii) of the definition of “dividend” in subparagraph (1) of paragraph 1 of the *Ninth Schedule*; and
 - (ii) income from Treasury bills;

Editor’s Note: therefore the **definition of Interest** only applies to payment for RTI purposes- but the date of accrual would remain where the interest was not subject to RTI but income tax (e.g. discount on treasury bills accruing to financial institutions) where the income would be taxable on accrual not on payment.

- (iii) income from banker’s acceptances and other discounted instruments traded by financial institutions

Subparagraph (a) substituted by s 28(a)(ii) of Act 17 of 1997, and (iii)inserted by section 25 of Act 18/2000 w.e.f. the year of assessment beginning on the 1st January, 2001.

- (b) does not include—
 - (i) interest paid on class “C” shares as defined in the Building Societies (Class “C” Shares) Regulations, 1986 ([Statutory Instrument 308 of 1986](#)), to the extent and subject to the conditions specified in those regulations; or
 - (ii)

deleted by Act 13/1996.

- (iii) interest payable to any other financial institution; or

- (iv) interest payable to the holder of a moneylender's licence granted in terms of the [Moneylending and Rates of Interest Act \[Chapter 14:14\]](#);

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or

- (v) interest payable to any person whose receipts and accruals are exempt from income tax in terms of paragraph 1, 2 or 3 of the *Third Schedule*; or
- (vi) interest payable to an insurer registered in terms of the [Insurance Act \[Chapter 24:07\]](#); or
- (vii) interest payable on a foreign currency account held by a taxpayer other than a company or trust; or
- (viii) interest which is exempt from income tax in terms of paragraph 10 of the *Third Schedule*;

Inserted by Act 4 of 1996 , amended by SI 14 /2004 from 30th January,2005- confirmed by Act 16 of 2004.

- (ix) interest on the amount payable by the Reserve Bank of Zimbabwe for the export proceeds of a business organisation engaging in the export of goods and services upon the acquittance by that organisation of the export documentation relating to that amount;

Inserted by Act 16 of 2007, from 1st January, 2008.

“person”, in addition to the meaning given to the term in [section two](#), includes, in relation to income the subject of a trust to which a beneficiary is entitled, the trust.

(2) For the purposes of this *Schedule*—

- (a) in determining whether or not residents' tax on interest should be withheld, the question as to whether or not the payee is ordinarily resident in Zimbabwe shall be decided by reference to the date on which the interest is paid by the financial institution;
- (b) interest shall be deemed to be paid to the payee if it is credited to his account or so dealt with that the conditions under which he is entitled to it are fulfilled, whichever occurs first.

Financial institutions to withhold tax

2

(1) Every financial institution that pays interest to—

- (a) a person, other than a company or trust, who is ordinarily resident in Zimbabwe; or

(b) a partnership, company or trust which is ordinarily resident in Zimbabwe;

shall withhold residents' tax on interest from that interest and shall pay the amount withheld to the Commissioner on or before the **10th** day of the month following the month in which the payment was made or within such further time as the Commissioner may for good cause allow:

Payment period shortened by Act 12/2006 from the 1st January, 2007, and further from 15 days to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8th January, 2010.

Provided that in the case of interest referred to in paragraph (a)(ii) and (iii) of the definition of "**interest**" in paragraph 1(1), payment of the interest shall be deemed to have been made on the date of maturity of the Treasury bill, banker's acceptance or other discounted instrument concerned.

Proviso originally inserted by Act 2 of 2005 , gazetted on 12st September 2005 w.e.f. 1st September, 2005 (deeming payment of the interest to have been made at the time of purchase of the instrument concerned).

The proviso was then repealed by Section 21(1) of the Finance (No.2) Act 8 of 2005 gazetted on the 30th Dec 2015, which substituted the above wording to take effect from 1st December, 2005.

Meaning the **interest** on the instruments was taxable during the period –

1-11th September 2005 deeming payment of the interest to have been made at the time of purchase of the instrument concerned;

12th September 2005 -30th November 2005 -ditto

1st December, 2005 to date deeming payment of the interest to have been made on the date of maturity of the instrument concerned;

(2) Where residents' tax on interest is withheld in terms of subparagraph (1), the payer shall provide the payee with a certificate, in a form approved by the Commissioner, showing—

(a) the amount of the interest; and

(b) the amount of the residents' tax on interest withheld.

(3) Any payer who fails to provide a payee with a certificate in terms of subparagraph (2), or furnishes an incorrect certificate under that subparagraph shall be guilty of an offence and liable to a fine not exceeding level five or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment:

Provided that, if it is proved that the payer's conduct was wilful, he shall be liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Subpara (3) inserted by the Criminal Penalties Amendment Act 22 of 2001, w.e.f. the 10th September, 2002.

Agents to withhold tax not deducted by financial institutions

3

(1) Every agent who, on behalf of a payee who is—

- (a) a person, other than a company or trust, who is ordinarily resident in Zimbabwe; or
- (b) a partnership, company or trust which is ordinarily resident in Zimbabwe; receives interest from which residents' tax on interest has not been withheld by the financial institution shall withhold residents' tax on interest from that interest and shall pay the amount withheld to the Commissioner on or before the **10th** day of the month following the month in which the interest was received.

Payment period shortened by Act 12/2006 from the 1st January, 2007, and further from 15 days to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8th January, 2010.

(2) Where residents' tax on interest is withheld in terms of subparagraph (1), the agent shall provide the payee with a certificate in a form approved by the Commissioner, showing—

- (a) the name of the financial institution that paid the interest; and
- (b) the amount of the interest; and
- (c) the amount of the residents' tax on interest withheld.

(2a) Any agent who fails to provide a payee with a certificate in terms of subparagraph (2), or furnishes an incorrect certificate under that subparagraph, shall be guilty of an offence and liable to a fine not exceeding level five or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment:

Provided that, if it is proved that the agent's conduct was wilful, he shall be liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Subpara (2a) inserted by the Criminal Penalties Amendment Act 22 of 2001, from the 10th September, 2002.

(3) For the purpose of this paragraph, a person shall be deemed to be the agent of a payee and to have received interest on behalf of that payee if—

- (a) that person's address appears as the address of the payee in the records of the financial institution that paid the interest; and
- (b) the warrant or cheque in payment of the interest is delivered at that person's address.

(4) For the purposes of this paragraph, where a trust receives interest—

- (a) to the whole or part of which a beneficiary is entitled in terms of the trust; or
- (b) which in terms of [section ten](#) is deemed to accrue to a person;

then—

- (i) a trustee of that trust shall be deemed to be an agent in respect of such interest or part thereof; and

- (ii) any such beneficiary or person shall be deemed to be a payee in respect of such interest or part thereof.

(5) Any person deemed to be the agent of a payee in terms of subparagraph (3) or (4) shall, as regards the payee and in respect of any income received by or accruing to or in favour of the payee, have and exercise all the powers, duties and responsibilities of a person declared to be the agent of the payee in terms of [section fifty-eight](#).

Payee to pay tax not withheld by financial institution or agent

4

A payee to whom interest is paid from which residents' tax on interest has not been withheld in terms of paragraph 2 or 3 or recovered in terms of [section seventy-seven](#) shall pay to the Commissioner, **on or before the 10th day** of the month following the month in which the payment was made, the tax that should have been withheld.

Payment period shortened by Act 12/2006 from the 1st January, 2007, and further from 15 days to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8th January, 2010.

Returns to be furnished

5

Payment of residents' tax on interest by a financial institution or an agent shall be accompanied by a return in the form prescribed.

Penalty for non-payment of tax

6

(1) Subject to subparagraph (2), a financial institution or an agent in Zimbabwe that fails to withhold or pay to the Commissioner any amount of residents' tax on interest as provided in paragraph 2 or 3 shall be personally liable for the payment to the Commissioner, not later than the date on which payment should have been made in terms of paragraph 2 or 3, as the case may be, of—

- (a) the amount of residents' tax on interest which the financial institution or the agent, as the case may be, failed to pay to the Commissioner; and
- (b) a further amount equal to **100%** of such residents' tax on interest.

Penalty increased by [Section 61](#) and the Schedule to the Finance Act 18/2000 with effect from the 12th January, 2001

(2) The Commissioner, if he is satisfied in any particular case that the failure to pay to him residents' tax on interest was not due to any intent to evade the provisions of this *Schedule*, may waive the payment of the whole or such part as he thinks fit of the amount referred to in subparagraph (b) of subparagraph (1).

(3)

Para (3) inserted by Act 8 of 2005 from the 1st January, 2006. Penalty repealed by the Finance Act 1 of 2018 gazetted on the 14th March, 2018 with deemed effect from the **1st February 2009**.

Refund of overpayments

7

If it is proved to the satisfaction of the Commissioner that any person has been charged with residents' tax on interest in excess of the amount properly chargeable to him in terms of this Schedule, the Commissioner shall authorize a refund in so far as it has been overpaid:

Provided that the Commissioner shall not authorize any refund in terms of this paragraph unless the claim therefor is made **within 6 years** of the date of payment of such tax.

TWENTY-SECOND SCHEDULE

([Sections 2 \(1\), 8 \(1\), 15 \(2\)\(ff\) and 22](#))

DETERMINATION OF GROSS INCOME & TAXABLE INCOME OR ASSESSED LOSS FROM SPECIAL MINING LEASE OPERATIONS

Interpretation

1

In this Schedule—

“allowable deduction” means any deduction allowable under this *Schedule*;

“assessed loss” means an assessed loss determined by applying the provisions of paragraph 2;

“asset” includes any part or share of an asset or interest in an asset;

“capital expenditure” means exploration expenditure or development expenditure or both, as the context requires;

“chargeable minerals” means minerals obtained by the holder of a special mining lease from special mining lease operations carried out by him;

“development expenditure” means expenditure actually incurred, whether directly or indirectly, in or in connection with development operations, including expenditure incurred in respect of —

- (a) the acquisition of motor vehicles, machinery, implements, utensils and other articles used for the purpose of development operations, including pipes, units for the purpose of production and treatment, and drilling equipment; and
- (b) the acquisition of furniture, tools and equipment used in offices, residential units, schools, hospitals, nursing homes or clinics such as are referred to in subparagraph (ii) of paragraph (c) of the definition of “development operations”, and in warehouses, vehicles, motorized rolling equipment, aircraft, fire and security stations, water and sewerage plants and power plants; and
- (c) labour, fuel, haulage, supplies, materials and repairs in connection with development operations; and

- (d) charges, fees or rent for or in respect of land or buildings occupied for the purpose of development operations; and
- (e) general administration and management directly connected with development operations in such verifiable amount as may be agreed in or pursuant to the special mining lease agreement or, where there is no such agreement, in such amount as may be determined by the Commissioner to be fair and reasonable; and
- (f) measures to prevent, minimize or remedy environmental damage caused by development operations, where such measures are taken pursuant to a mining development plan approved by the Minister responsible for the administration of the [Mines and Minerals Act \[Chapter 21:05\]](#);

“development operations” means operations carried out in Zimbabwe for or in connection with the development of a special mining lease area, and includes —

- (a) the sinking of shafts; and
- (b) the installation of machinery, implements, utensils and other articles required for special mining lease operations; and
- (c) the construction and erection of—
 - (i) facilities for the production, treatment, storage, gathering and conveyance of minerals; and
 - (ii) offices, residential units, schools, hospitals, nursing homes or clinics for use by persons employed in or in connection with mining operations and by their families; and
- (d) the construction of roads in or to the special mining lease area;

“disposed of”, in relation to minerals, has the meaning given by subparagraph (3) of paragraph 3;

“exploration expenditure” means expenditure actually incurred, whether directly or indirectly, in or in connection with exploration operations, including expenditure incurred in respect of—

- (a) the acquisition of motor vehicles, machinery, implements, utensils and other articles employed for the purpose of exploration operations, including pipes and drilling equipment; and
- (b) labour, fuel, haulage, supplies, materials, and repairs in connection with exploration operations; and
- (c) charges, fees or rent for or in respect of land or buildings occupied for the purposes of exploration operations; and
- (d) general administration and management directly connected with exploration operations in such verifiable amount as may be agreed

in or pursuant to the special mining lease agreement or, where there is no such agreement, in such amount as may be determined by the Commissioner to be fair and reasonable;

“exploration operations” means any operations carried out in Zimbabwe for or in connection with exploration for minerals, and includes—

- (a) geological, geophysical, geochemical, paleontological, aerial, magnetic, gravity or seismic surveys; and
- (b) the study of the feasibility of any special mining lease operations or development operations to be carried out or of the environmental impact of such operations;

“income attributable to special mining lease operations” means the aggregate of amounts referred to in subparagraph (1) of paragraph 3;

“Minerals Marketing Corporation of Zimbabwe” means the corporation established by [section 3 of the Minerals Marketing Corporation of Zimbabwe Act \[Chapter 21:04\]](#);

“residential unit” means an apartment, flat, house, whether detached, semi-detached or terraced, or any similar unit of residential accommodation;

“taxable income” means any taxable income determined by applying paragraph 2;

“trade training” means any education or training, other than education or training which is provided as part of the general education of a pupil, which is intended to train persons to perform work in connection with the special mining lease operations of the taxpayer or to improve the performance of such work;

“training building” means :my building the construction of which was commenced on or after the 1st April, 1994 which is erected by the taxpayer and used exclusively for the purpose of providing trade training for persons who are or will be employed by him in connection with his special mining lease operations;

“training equipment” means new or unused articles, implement or utensils purchased on or after **1st April, 1994**, and, in the opinion of the Commissioner, used by the taxpayer exclusively for the purpose of providing trade training for persons who are or will be employed by the taxpayer in connection with the taxpayer’s special mining lease operations;

“year of production”, in relation to a special mining lease area means the year of assessment in which minerals from the area are first sold or otherwise disposed of.

Determination of taxable income or assessed loss

2

The taxable income or, as the case may be, the assessed loss accruing to the holder of a special mining lease in a year of assessment shall be the difference, if any, between the

income attributable to special mining lease operations accruing to him in that year and the sum of his allowable deductions for that year; and that difference, if any, is a taxable income if the income so attributable is greater than the sum of those allowable deductions, and is otherwise an assessed loss.

Income from special mining lease operations

3

(1) For the purposes of paragraph (s) of the definition of “gross income” in [subsection \(1\) of section eight](#), the amounts received by or accruing to, or deemed to have been received by or accrued to, the holder of a special mining lease in a year of assessment shall include—

- (a) the fair market value, established as provided in subparagraph (2), of so much of the holder’s chargeable minerals as were disposed of in the year of assessment; and
- (b) any amount received or receivable in the year of assessment by the holder, under a policy of insurance or otherwise, in respect of the loss or destruction of any of the holder’s chargeable minerals; and
- (c) any—
 - (i) interest or amount in the nature of interest;
 - (ii) other amount;received or receivable by the holder in the year of assessment from or in connection with his special mining lease operations; and
- (d) any amount to be included in the income attributable to special mining lease operations of the holder in the year of assessment pursuant to subparagraph (2) of paragraph 8; and
- (e) any amount allowed to be deducted under paragraph 4 or 5, whether in the current or any previous year of assessment, which has been recovered or recouped; and
- (f) any amount or value referred to in paragraph (d), (e), (h), (k), (l) or (m) of the definition of “gross income” in [subsection \(1\) of section eight](#).

(2) The fair market value, in relation to a disposal of minerals by the holder of a special mining lease, is—

- (a) the value established by the Commissioner by reference to criteria for the determination of that value specified in the special mining lease agreement; or
- (b) where there is no special mining lease agreement or there are no criteria such as are referred to in subparagraph (a), the value established by the Commissioner under and in accordance with such rules as are prescribed.

(3) Minerals are disposed of by the holder of a special mining lease if they are—

- (a) sold, donated or bartered or used for repayment of loans or any form of consumer credit; or
 - (b) appropriated to refining or other processing in Zimbabwe without having been sold, donated or bartered prior to appropriation; or
 - (c) exported without having been sold, donated or bartered prior to export.
- (4) Except as provided in subparagraph (1), the amounts referred to in paragraphs (a) to (s) of the definition of “gross income” in [subsection \(1\) of section eight](#) shall not, in the case of the holder of a special mining lease, constitute income attributable to his special mining lease operations.

General deductions allowed in determining taxable income

4

(1) Subject to [subsection \(1\) of section sixteen](#) and paragraph 6, for the purpose of determining the taxable income of the holder of a **special mining lease** for a year of assessment, there shall be deducted from income attributable to his special mining lease operations in that year the amount of any—

- (a) expenditure and losses, other than of a capital nature, incurred in that year wholly and exclusively for the purpose of special mining lease operations carried out by him;

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and

- (b) expenditure incurred in that year in respect of interest on, or in borrowing or obtaining, a loan or other form of credit or financial accommodation; and
- (c) expenditure incurred in that year in respect of royalty payable to the Government on minerals won; and
- (d) expenditure incurred in that year in respect of commission payable to the Minerals Marketing Corporation of Zimbabwe; and
- (e) expenditure and losses incurred in that year wholly and exclusively for the purpose of special mining lease operations carried out by him, in respect of any matter for which a deduction is allowable in terms of [paragraph \(b\), \(g\), \(h\), \(j\), \(m\), \(o\), \(q\), \(r\), \(u\), \(aa\)](#) or [\(bb\) of subsection \(2\) of section fifteen](#) or in terms of paragraph 5; and
- (f) a training investment allowance which shall be equal to **50%** of the cost to the holder of—
 - (i) any training building; or
 - (ii) any addition or alteration to any training building; or
 - (iii) any training equipment;
 which is brought into use in that year.

(2) Where any expenditure or losses referred to in subparagraph (1) are incurred as part of or in conjunction with any other expenditure, only that portion of the total expenditure or losses, as the case may be, which is wholly and exclusively incurred for the purpose of special mining lease operations shall be allowed as a deduction in terms of this paragraph.

(3) The provisos to [subsection \(3\) of section fifteen](#) shall apply in relation to subparagraph (2).

(4) [Subsection \(4\) of section fifteen](#) shall have effect for the purpose of this Schedule as it has effect for the purposes of that section.

(5) For the purpose of determining the taxable income of the holder of a special mining lease for a year of assessment, any assessed loss incurred by him for the previous year of assessment shall be deducted from the income remaining after the deductions referred to in this paragraph have been made.

Capital redemption allowances

5

(1) Subject to this paragraph and paragraph 6, capital expenditure incurred by the holder of a special mining lease may be deducted only in accordance with this paragraph for the purpose of determining the holder's taxable income attributable to special mining lease operations in any year of assessment.

(2) Expenditure which the holder of a special mining lease incurs in or before the year of production of his special mining lease area, in respect of—

- (a) exploration operations carried out in the special mining lease area, whether before or after the issue of the special mining lease; or
- (b) exploration operations carried out **not more than 6 years** before the issue of the special mining lease, where—
 - (i) the area in which the operations were carried out and the special mining lease area were embraced by the same exclusive prospecting order made in terms of Part VI of the [Mines and Minerals Act \[Chapter 21:05\]](#); and
 - (ii) the operations were carried out as part of a programme of operations approved by the Mining Affairs Board in terms of that Part;

or

- (c) exploration operations carried out **not more than 6 years** before the issue of the special mining lease, where—
 - (i) the area in which the operations were carried out was embraced by an exclusive prospecting order made in terms of Part VI of the [Mines and Minerals Act \[Chapter 21:05\]](#), which order did not embrace the special mining lease area and has ceased to have effect; and

- (ii) the operations were carried out as part of a programme of operations approved by the Mining Affairs Board in terms of Part VI of the [Mines and Minerals Act \[Chapter 21:05\]](#); and
- (iii) no mining operations have resulted from the exclusive prospecting order referred to in subparagraph (i); and
- (iv) the expenditure on the exploration operations has not been deducted against any other income accruing to the holder concerned;

or

(d) development operations;

shall be deemed to have been incurred in the year of production and may, in the case of exploration expenditure, be deducted in full in that year or, in the case of development expenditure, be deducted as to $\frac{1}{4}$ of the expenditure in that year and as to a further $\frac{1}{4}$ in each of the 3 immediately succeeding years of assessment.

(3) Expenditure which the holder of a special mining lease incurs in a year of assessment after the year of production of his special mining lease area, in respect of—

- (a) exploration operations in respect of the special mining lease area, may be deducted in full in that year of assessment; or
- (b) development operations, may be deducted as to $\frac{1}{4}$ of the expenditure in that year of assessment and as to $\frac{1}{4}$ in each of the 3 immediately succeeding years of assessment.

(4) Expenditure which the holder of a special mining lease incurs on exploration operations **not more than 6 years** before a year of assessment subsequent to the year of production of his special mining lease area may be deducted in full in that year of assessment, if—

- (a) the area in which the exploration operations were carried out was embraced by an exclusive prospecting order made in terms of Part VI of the [Mines and Minerals Act \[Chapter 21:05\]](#), which order ceased to have effect before the year assessment concerned; and
- (b) the exploration operations were carried out as part of a programme of operations approved by the Mining Affairs Board in terms of Part VI of the [Mines and Minerals Act \[Chapter 21:05\]](#); and
- (c) no mining operations have resulted from the exclusive prospecting order referred to in subparagraph (a); and
- (d) the expenditure on the exploration operations has not been deducted against any other income accruing to the hold concerned.

(5) Where, in or before the year of production of the special mining lease area concerned, an amount has been received by or accrued to or in favour of the holder of a special mining lease in respect of the disposal, loss or destruction of any asset used in connection with his exploratic operations or development operations, any capital expenditure incurred in respect of the asset shall, if otherwise allowable as a deduction under this paragraph, be

allowable only to the extent that the capital expenditure exceeds the amount so received or accrued.

(6) For the purposes of subparagraph (5), the amount received or accrued to or in favour of the holder of the special mining lease concerned shall be—

- (a) if the asset was disposed of by way of sale for a separate price, the price for which it was sold, less the expenses of sale; or
- (b) if the asset was disposed of together with other property by way of sale and a separate price was not determined in respect of the asset, such part of the price for which the asset and the other property were sold as may be determined by the Commissioner, less such part of the expenses of the sale as he may determine; or
- (c) if the asset was disposed of otherwise than by way of sale the value of the asset as at the date of disposal; or
- (d) if the asset was lost or destroyed, such amount as may be received by or have accrued to or in favour of the holder, under a policy of insurance or otherwise, in respect of the loss or destruction.

(7) Any capital expenditure incurred by the holder of a special mining lease in or before the year of production of his special mining lease area, other than capital expenditure incurred in respect of an asset, shall, if otherwise allowable as a deduction under this paragraph, be reduced by any amount received by or accrued to or in favour of the holder in or before the year of production from a recovery or recoupment of any of that capital expenditure.

Limitations on allowable deductions

6

(1) In this paragraph—

“**equity capital**”, in relation to the holder of a special mining lease, means the sum of the holder’s issued and paid-up share capital, reserves, un-appropriated profits and loans from shareholders;

Provided that such loans bear no interest and are not repayable on or by a certain date.

(2) The holder of a special mining lease shall **not be allowed** any deduction under this *Schedule* in respect of—

- (a) any expenditure, other than payments to the Government in the nature of royalty payments, or commission payable to the Minerals Marketing Corporation of Zimbabwe, wholly or partly depending on, or determined by reference to, the quantity or value of, or the profits from, his chargeable minerals; or
- (b) any amount payable to the Government which is calculated by reference to the profitability of his special mining lease operations, or on the rate of return

on his investment in those operations, or on an after-tax basis or in any similar manner; or

- (c) any expenditure to the extent that it is incurred to produce income which is not income attributable to special mining lease operations; or
- (d) any expenditure such as is referred to in subparagraph (b) of subparagraph (1) of paragraph 4—
 - (i) unless the Commissioner is satisfied that the loan or credit has been or is being used for the purpose of special mining lease operations; or
 - (ii) to the extent that the interest concerned exceeds the commercial rate payable for the type and currency of the loan by a borrower dealing at arm's length with the lender; or
 - (iii) to the extent that any expenditure incurred exceeds the amount that would have been agreed upon by 3 persons dealing at arm's length with the person providing the loan or credit concerned; or
- (e) any expenditure, in the case of a loan for development operations—
 - (i) unless the expenditure was incurred in accordance with the provisions of a financing plan approved in terms of a special mining lease agreement; or
 - (ii) to the extent that the expenditure relates to a part of the debt exceeding, in any year of assessment, **3 times** the holder's equity capital, or such other multiple of his equity capital as may be fixed by or in terms of a special mining lease agreement;

or

- (f) any expenditure on any residential unit which is used for housing the holder's employees and their families, to the extent that the expenditure exceeds—
 - (i) thirty-five thousand dollars, where the residential unit was erected in the year of assessment beginning on the 1st April 1994; or
 - (ii) fifty thousand dollars, where the residential was erected on or after the 1st April, 1995, but before the 1st January, 1999; or
 - (iii) zw\$100 000, where the residential unit was erected on or after the 1st January, 1999;
 - (iv) US\$10 000 where the residential unit was erected on or after the 1st January 2009;

subpara (iv) inserted by Finance (No.3) Act 11 of 2014 w.e.f. 6th January, 2015

- (v) **US\$25,000**, where the residential unit was erected on or after the **1st January 2018**;

subpara (v) inserted by the Finance Act 1 of 2018 w.e.f. 14th March, 2018; amount in (v) redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019 ; amended by Act 13/2019; increased Act 10/2020 w.e.f. 31st December, 2020; & by Act 8/2022 w.e.f. 24th October, 2022.

or

- (g) any expenditure on any passenger motor vehicle as defined in subparagraph (2) of paragraph 14 of the *Fourth Schedule*, to the extent that the expenditure exceeds—
- (i) fifty thousand dollars, where the motor vehicle was purchased in the year of assessment beginning the 1st April, 1994; or
 - (ii) seventy-five thousand dollars, where the motor vehicle was purchased on or after the 1st April 1995, but before the 1st January, 1999; or
 - (iii) **zw\$ 200 000**, where the motor vehicle was purchased on or after the 1st January, 1999;
 - (iv) **US\$10,000** where the motor vehicle was purchased on or after the **1st January 2009**;

subpara (iv) inserted by Finance (No.3) Act 11 of 2014 w.e.f. the 6th January, 2015; amended by Act 13/2023 w.e.f. 29th December, 2023.

or

- (h) any expenditure on any permanent building used for the purpose of a **school, hospital, nursing home or clinic—**
- (i) unless it is proved to the satisfaction of the Commissioner that, at the relevant time—
 - A. in the case of a school, **more than ½** of the pupils are children of persons employed by the holder in carrying out special mining lease operations; or
 - B. in the case of a hospital, nursing home or clinic, **more than ½** of the persons receiving treatment thereat are employed by the holder in carrying out special mining lease operations or are members of their families;

or

- (ii) to the extent that the expenditure exceeds—
 - A. in respect of any residential unit used by staff employed at the school, hospital, nursing home or clinic—
 - I. thirty-five thousand dollars, where the expenditure was incurred in the year of assessment beginning on the 1st April, 1994; or

- II. fifty thousand dollars, where the expenditure was incurred on or after 1st April, 1995, but before the 1st January, 1999; or

Amended by Act 29 of 1998 from 1 January 1999.

- III. one hundred thousand dollars, where the expenditure was incurred on or after the 1st January, 1999; or

Inserted by Act 29 of 1998 from 1 January 1999.]

- IV. **US\$10,000**, where the expenditure was incurred *on or after the **1st January 2009**;

subpara IV substituted by Finance (No.3) Act 11 of 2014 - (omitting *the words "incurred by the taxpayer": which were originally enacted by Act 5/2009)- still w.e.f. the 1st January 2009; amended by Act 13/2023 w.e.f. 29th December, 2023.

or

- B. in respect of any one such school, hospital, nursing home or clinic—

- I. zw\$ 250 000, where the expenditure was incurred in the year of assessment beginning the 1st April, 1994; or

- II. zw\$ 500 000, where the expenditure was incurred on or after the 1st April, 1995, but before the 1st January, 1999; or

Amended by Act 29 of 1998 from 1 January 1999.]

- III. zw\$ 1 500 000, where the expenditure was incurred on or after the 1st January, 1999; or

Inserted by Act 29 of 1998 from 1 January 1999.]

- IV. **US\$150,000**, where the expenditure was incurred on or after the **1st January, 2018**;

subpara (IV) inserted by the Finance Act 1 of 2018 w.e.f. 14th March, 2018: corrected by SI 188/2018; amount redesignated from US\$ to **zw\$** by Finance (No.2) Act 7/2019 w.e.f. 21st August, 2019. amended by Act 13/2019 w.e.f. 31st December, 2019; increased by Finance (No.2) Act 10/2020 w.e.f. 31st December, 2020; & by Act 8/2022 w.e.f. 24th October, 2022.

- (iii) any additional profits tax, or interest payable thereon, charged in terms of this Act, or any similar tax charged in any country other than Zimbabwe.

(3) Where the holder of a special mining lease disposes of any of his chargeable minerals, he shall not be allowed any deduction under this *Schedule* in respect of the transportation of the minerals—

- (a) outside Zimbabwe; or
- (b) if applicable, within Zimbabwe beyond the delivery point as defined in his special mining lease.

U M (Pvt) Ltd v ZIMRA 20-HH-437

(4) Except as provided in paragraph 4, no deduction shall, as regards income attributable to special mining lease operations, be made in respect of allowances or deductions referred to in [subsection \(2\) of section fifteen](#).

PL Mines (Pvt) Ltd v ZIMRA [15-HH-466](#)

(5) No deduction shall be allowed in respect of any bonus payment made by any person in respect of the signing of a special mining lease agreement or the issue of a special mining lease.

Deductions allowed on transfer of special mining lease

7

(1) Where in any year of assessment the holder of a special mining lease transfers his lease, wholly or partially, to another person under the [Mines and Minerals Act \[Chapter 21:05\]](#), he and the transferee shall jointly, **within 30 days** after the date of the transfer, furnish to the Commissioner a statement in writing—

- (a) identifying any asset to which this paragraph applies which passed to the transferee; and
- (b) stating the proportion of the consideration given for the transfer which appertains to the asset or, where no consideration was so given, the value of the asset.

(2) If the Commissioner is satisfied with a statement furnished to him in terms of subparagraph (1), the proportion of the consideration which appertains to the asset or, as the case may be, the value of the asset shall—

- (a) for the purposes of paragraph 5, rank as—
 - (i) exploration expenditure if the deduction allowed as provided in subparagraph (4) was in respect of exploration expenditure; or
 - (ii) development expenditure if that deduction was in respect of development expenditure; and
- (b) for the purpose of paragraph 8, rank as a recovery of the transferor's capital expenditure.

(3) If the Commissioner is not satisfied with a statement furnished to him in terms of subparagraph (1) or if no such statement has been furnished to him, he shall determine the value of the asset which shall then rank as exploration expenditure or development expenditure, as provided in subparagraph (a) of subparagraph (2), or as capital expenditure as provided in subparagraph (b) of subparagraph (2).

(4) This paragraph applies in relation to any asset in respect of which a deduction has been allowed under paragraph 5 for the purposes of determining the transferor's taxable income.

Disposal, loss etc. of asset

8

(1) This paragraph applies where, in a year of assessment, an asset of the holder of a special mining lease—

- (a) in respect of which a deduction under subparagraph (3) of paragraph 5 has been allowed for the purpose of determining the holder's taxable income, is disposed of, lost or destroyed; or
- (b) to which paragraph 7 applies, passes to a transferee in circumstances such as are referred to in that paragraph.

(2) Where this paragraph applies, the income attributable to special mining lease operations of the holder of the special mining lease in the year of assessment concerned shall include the amount of the deduction allowed in respect of the asset concerned, to the extent that the deduction has been recovered or recouped as a result of the disposal, loss, destruction or passing of that asset.

(3) Subparagraph (6) of paragraph 5 shall apply, *mutatis mutandis*, for the purpose of determining the amount received or recouped as a result of the disposal, loss or destruction of any asset.

Returns and liability to tax

9

Nothing in this Schedule shall be construed as relieving the holder of a special mining lease from—

- (a) the obligation to render returns of income in respect of income, other than income attributable to special mining lease operations, derived by or accruing to him; or
- (b) any liability to tax in respect of income, not attributable to his special mining lease operations, referred to in subparagraph (a).

Information in returns

10

The holder of a special mining lease shall specify separately, in a return rendered in respect of his special mining lease operations, the income attributable to those operations and shall furnish information with respect to the following matters—

- (a) the quantity of chargeable minerals won by him; and
- (b) the total quantity of those minerals disposed of, the manner of each disposal making up that total and the fair market value in relation to each disposal; and

- (c) in the case of minerals won that are lost or destroyed, the quantity lost or destroyed and the amount received or receivable under a policy of insurance or otherwise in respect of the minerals; and
- (d) any amount included in the holder's income pursuant to subparagraph (2) of paragraph 8; and
- (e) any interest or other amount derived by the holder from special mining lease operations; and
- (f) the amount of all allowable deductions claimed; and
- (g) the amount of each allowable deduction claimed and particulars of that amount; and
- (h) any asset in relation to which subparagraph (5) of paragraph 5, paragraph 7 or paragraph 8 applies; and
- (i) the amount, if any, of tax payable; and
- (j) such other information as the Commissioner may require.

*Maintenance of books in **foreign currency***

11

(1) The holder of a special mining lease may, in the first year of assessment after the issue of his special mining lease, elect to maintain all books and records relating to his special mining lease operations in the currency of the United States of America, and any such election shall be final.

Zimbabwe Platinum Mines (Pvt) Ltd v ZIMRA [21-SC-159](#)

(2) Where the holder of a special mining lease has made an election referred to in subparagraph (1)—

- (a) any—
 - (i) income accruing to the holder and attributable to his special mining lease operations; or
 - (ii) expenditure incurred by the holder and constituting an allowable deduction;

in a currency other than that of the United States of America shall be shown in all books and records relating to his special mining lease operations in that other currency and in the currency of the United States of America; and
- (b) the Commissioner shall determine the holder's taxable income or, as the case may be, his assessed loss, for any year of assessment in the currency of the United States of America; and
- (c) notice of assessment and of any tax payable shall be given to the holder in the currency of the United States of America; and

- (d) payment of tax shall be effected in the currency of the United States of America; and
- (e) the provisions of the special mining lease shall apply in relation to the conversion of any other currency into the currency of the United States of America for the purposes of this paragraph:

Provided that, if there are no such provisions in the special mining lease, the conversion shall be made in accordance with such procedure as the Commissioner may direct either generally or in any particular case.

TWENTY-THIRD SCHEDULE

[*\(Section 33\)*](#)

DETERMINATION OF ADDITIONAL PROFITS TAX IN RESPECT OF **SPECIAL MINING LEASE AREA**

Interpretation

1

(1) In this Schedule—

“allowable deduction” means, subject to subparagraph (2), a deduction allowable under the *Twenty-Second Schedule* in respect of expenditure incurred;

“first accumulated net cash position” means an amount determined in accordance with subparagraphs (2), (4) and (5) of paragraph 3;

“first year of assessment”, in relation to a special mining lease area, means the year of assessment in which the special mining lease is issued in respect of that area;

“net cash receipts”, in relation to a special mining lease area, means such receipts determined by applying the provision of paragraph 2;

“Price Index” means—

(a) the monthly level of the United States Industrial Goods Producer Price Index, as reported for the first time for the year of assessment concerned in the publication of the International Monetary Fund known as the *“International Financial Statistics”* in the section title “Prices, Production, Employment”; or

(b) such other monthly index as the Minister may prescribe by notice in the *Gazette*;

“second accumulated net cash position” means an amount determined in accordance with subparagraphs (3), (4) and (5) of paragraph 3;

“taxable income” means any taxable income determined by applying paragraph 2 of the *Twenty-Second Schedule*;

“year of production”, in relation to a special mining lease area, means the year of assessment in which minerals from the area are first sold or otherwise disposed of.

(2) For the purposes of this *Schedule*, a deduction made in respect of—

- (a) expenditure of the kind referred to in subparagraph (b) subparagraph (1) of paragraph 4 of the *Twenty-Second Schedule*; or
- (b) a training investment allowance referred to in subparagraph (f) of subparagraph (1) of paragraph 4 of the *Twenty-Second Schedule*; or
- (c) any capital redemption allowance referred to in paragraph 5 of the *Twenty-Second Schedule*;

shall not be treated as an allowable deduction.

Net cash receipts

2

(1) For the purpose of this *Schedule*, the net cash receipts from a special mining lease area in a year of assessment shall be the result, which may be a positive or negative figure, of deducting from the income referred to in subparagraph (2) the deductions referred to in subparagraph (3).

(2) The income to which subparagraph (1) relates is the aggregate of the following amounts—

- (a) amounts referred to in subparagraph (1) of paragraph 3 of the *Twenty-Second Schedule*, other than any amount referred to in subparagraph (i) of subparagraph (c) of subparagraph (1) of that paragraph, accruing in the year of assessment concerned to the holder of the special mining lease or, in the case of joint holders, to each of the holders. from special mining lease operations carried on—
 - (i) in the special mining lease area; or
 - (ii) subject to subparagraph (4), in any other special mining lease area, in the case of an amount referred to in subparagraph (ii) of subparagraph (c) of subparagraph (1) of paragraph 3 of the *Twenty-Second Schedule*;

and

- (b) any amounts not covered by subparagraph (a), which are the proceeds of sales of material, equipment, plant, facilities, data, information, intellectual property or rights, the acquisition costs of which have previously been deducted in calculating net cash receipts from a special mining lease area; and
- (c) any amounts of a capital nature received, or any contribution, from any person for the use of facilities, to the extent that they are not included in the amounts referred to in subparagraph (a) or (b).

(3) The deductions to which subparagraph (1) relates are the aggregate of—

(a) allowable deductions in respect of expenditure which—

- (i) has been incurred or is deemed to have been incurred in the year of assessment concerned by the holder of the special mining lease or, in the case of joint holders, by each of the holders; and
- (ii) the Commissioner determines is attributable to the special mining lease area for the purpose of calculating the holder's liability for income tax;

and

(b) income tax paid for the year of assessment concerned in respect of the taxable income of the holder of the special mining lease or, in the case of joint holders, of each of the holders, which the Commissioner determines is attributable to the special mining lease area; and

(c) capital expenditure incurred solely in relation to a special mining lease area which is allowable as a deduction under paragraph 5 of *the Twenty-Second Schedule*:

Provided that—

- (i) any capital expenditure in respect of exploration operations which is so allowable and which is incurred prior to the first year of assessment shall be deemed to have been incurred in the first year of assessment for special mining lease operations;
- (ii) such capital expenditure shall be deducted in full in the year in which it is incurred or deemed to have been incurred.

(4) Where a person is the holder of more than one special mining lease in any year of assessment, an amount accruing to him in that year of assessment as provided in subparagraph (b) of subparagraph (2) shall, for the purposes of this paragraph, be treated as accruing to him in equal parts from each of the special mining lease areas.

(5) Where a person is the holder of more than one special mining lease in any year of assessment and there are deductions pursuant to subparagraphs (a) and (c) of subparagraph (3) in respect of expenditure not incurred exclusively in respect of any one of the special mining lease areas, the deductions shall be apportioned between the special mining leases, for the purposes of calculating the holder's net cash receipts, in the same proportions as the income from each special mining lease are determined in accordance with subparagraph (2) of paragraph 2, bears the holder's total income determined from all the special mining lease areas held by him.

Determination of first and second accumulated net cash position

3

(1) For the first year of assessment of a special mining lease area, and for every subsequent year of assessment, there shall be established the first accumulated net cash position and the second accumulated net cash position.

(2) The first accumulated net cash position shall be determined accordance with the formula—

$$A (100 \% + R_1) (100 \% + P) + B,$$

where—

A represents, subject to subparagraphs (4) and (5), the first accumulated net cash position in relation to the special mining lease area concerned at the end of the year of assessment immediately preceding the year of assessment for which the determination is being made;

B represents the net cash receipts from the special mining lease area concerned in the year of assessment;

P represents the change, expressed as a percentage, in the level of the Price Index between—

(a) the last month of the year of assessment immediately preceding the year of assessment for which the determination is being made; and

(b) the last month of the year of assessment for which the determination is being made;

R₁ represents **15%** or such other percentage as may be specified for this purpose in the special mining lease agreement relating to the special mining lease concerned.

(3) The second accumulated net cash position shall be determined in accordance with the formula—

$$A (100 \% + R_2) (100 \% + P) + B - C,$$

where—

A represents, subject to subparagraphs (4) and (5), the second accumulated net cash position in relation to the special mining lease area concerned at the end of the year of assessment immediately preceding the year of assessment for which the determination is being made;

B represents the net cash receipts from the special mining lease area concerned in the year of assessment;

C represents the amount of additional profits tax, if any, determined in accordance with this *Schedule* in relation to the first accumulated net cash position for the special mining lease area concerned;

P represents the change, expressed as a percentage, in the level of the Price Index between—

(a) the last month of the year of assessment immediately preceding the year of assessment for which the determination is being made; and

(b) the last month of the year of assessment for which the determination is being made;

R₂ represents **20%** or such other percentage as may be specified for this purpose in the special mining lease agreement relating to the special mining lease concerned.

(4) Where the first accumulated net cash position or the second accumulated net cash position, established in respect of a special mining lease area for a year of assessment, is a positive amount, that accumulated net cash position shall be deemed to be nil for the purpose of determining the equivalent net cash position for the immediately succeeding year of assessment.

(5) For the purpose of determining the amount of factor “A” of the formulae referred to in subparagraphs (2) and (3), the year immediately preceding the first year of assessment for a special mining lease area shall be deemed to be a year of assessment for the area and, for that purpose, the first or second accumulated net cash position at the end of that preceding year shall be deemed to be nil.

Computation of additional profits tax

4

(1) If the first accumulated net cash position in respect of a special mining lease area for any year of assessment is expressed as a positive amount, the additional profits tax payable by the holder of the special mining lease shall be computed at such percentage of that positive amount as may be determined in accordance with the formula—

$$U = \frac{41,5 - T}{100 - T}$$

where—

U represents the rate of additional profits tax, expressed as a decimal, determined in relation to the first accumulated net cash position;

T represents the rate at which income tax is levied upon holders of special mining leases in terms of the charging Act relating to the year of assessment concerned.

(2) If the second accumulated net cash position in respect of a special mining lease area for any year of assessment is expressed as a positive amount, the additional profits tax payable by the holder of the special mining lease shall be the aggregate of—

(a) the additional profits tax determined in accordance with subparagraph (1); and

(b) **27,778%** of the positive amount in which the second accumulated net cash position is expressed.

Information in returns

5

The holder of a special mining lease shall specify separately, in a return rendered in respect of his special mining lease operations, the net cash receipts from his special mining lease area for the year of assessment to which the return relates, and shall furnish information with respect to the following matters—

- (a) the amount of all income and deductions taken into account in determining the net cash receipts; and
- (b) the appropriate change, expressed as a percentage, in the level of the Price Index between the last month of the preceding year of assessment and the last month of the year of assessment to which the return relates; and
- (c) the values of the first accumulated net cash position and the second accumulated net cash position for the year of assessment for which the return is made and for the immediately preceding year of assessment; and
- (d) the amount, if any, of additional profits tax computed with reference to the first accumulated net cash position and with reference to the second accumulated net cash position; and
- (e) the total amount, if any, of additional profits tax payable;

-where initially wrong information was furnished *Zimbabwe Platinum Mines (Pvt) Ltd v ZIMRA* [21-SC-159](#)

and

- (f) such other information as the Commissioner may require.

Administration and collection of additional profits tax

6

Where the holder of a special mining lease has elected, in terms of paragraph 11 of the *Twenty-Second Schedule*, to maintain his books and records in the currency of the United States of America—

- (a) the Commissioner shall determine the holder's accumulated net cash position and his second accumulated net cash in that currency; and
- (b) notice of assessment and of any additional profits payable shall be given in that currency; and
- (c) payment of additional profits tax shall be effected in that currency; and
- (d) the provisions of that paragraph shall apply to the conversion into that currency of amounts expressed in any other currency.

TWENTY-FOURTH SCHEDULE

([Section 36A](#))

TOBACCO LEVY

Interpretation

1

In this *Schedule*—

“**auction floor**” means premises for the sale of auction tobacco;

“**auction tobacco**” means tobacco which is declared in terms of the Tobacco Marketing and Levy Act to be auction tobacco;

“**auctioneer**” means the holder of an auction floor license issued in terms of the Tobacco Marketing and Levy Act;

“**buyer**” means a person who is—

- a) licensed or required to be licensed under the Tobacco Marketing and Levy Act as a buyer of auction tobacco; or
- b) registered or required to be registered under the Tobacco Marketing and Levy Act as an authorized buyer of auction tobacco; or
- c) is a contractor.

“**contract tobacco**” means tobacco which is subject to a tobacco contract;

“**contractor**” means a buyer who is a party to a tobacco contract;

“**price**”, in relation to auction tobacco that has been sold, means the total amount payable by the purchaser under the agreement of sale;

“**sell**” means sell by auction or sell to a contractor;

“**tobacco contract**” means a contractual arrangement between a contractor and a grower of tobacco, under which the contractor provides or finances the purchase of inputs for the benefit of the grower in return for the grower selling his or her tobacco to the contractor;

“**tobacco levy**” means the levy required to be withheld or recovered in terms of subparagraph (1) of paragraph 2;

“**Tobacco Marketing and Levy Act**” means the [Tobacco Marketing and Levy Act \[Chapter 18:20\]](#).

Auctioneer or contractor to withhold tobacco levy

2

(1) Every auctioneer and contractor shall—

- (a) withhold from the price payable for—

(i) auction tobacco sold on his or her auction floor; or

(ii) contract tobacco;

a levy at the rate fixed from time to time in the charging Act; and

(b) in the case of an **auctioneer**, before relinquishing possession of any auction tobacco sold to a buyer on his or her auction floor, recover from the buyer a levy at the rate fixed from time to time in the charging Act;

and shall pay the amount so withheld or recovered to the Commissioner within the prescribed period after—

(i) the date of the sale, in the case of an amount withheld in terms of subparagraph (a); or

(ii) his or her relinquishing of possession of the auction tobacco concerned, in the case of an amount withheld in terms of subparagraph (b);

or within such further time as the Commissioner may for good cause allow.

(2) The tobacco levy shall be withheld in terms of subparagraph (1)(a) notwithstanding any writ of execution or attachment or other process that may have been issued in respect of the auction or contract tobacco concerned, and the levy shall be withheld before any other amounts are withheld or deducted from the price of the auction or contract tobacco in terms of any other law.

Certificates to be provided to seller

3

(1) Whenever he or she has withheld any tobacco levy in terms of paragraph 2(a) or recovered any tobacco levy in terms of subparagraph (b) of that paragraph, an auctioneer or contractor shall provide the seller or buyer, as the case may be, of the auction tobacco concerned with a certificate in a form approved by the Commissioner showing—

(a) the price at which the auction or contract tobacco was sold; and

(b) the amount of tobacco levy withheld.

(2) Any payer who fails to provide a payee with a certificate in terms of subparagraph (1), or furnishes an incorrect certificate under that subparagraph, shall be guilty of an offence and liable to a fine not exceeding level five or to imprisonment for a period not exceeding three months or to both such fine and such imprisonment:

Provided that, if it is proved that the payer's conduct was wilful, he shall be liable to a fine not exceeding level seven or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

Returns to be furnished to Commissioner

4

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 10th** day of the month following the month in which he or she paid the tobacco levy.

Para substituted by Finance Act 7/2021 gazetted on the 31 December, 2021 w.e.f.1st January, 2022.

Penalty for non-payment of tobacco levy

5

(1) Subject to subparagraph (2), an auctioneer or contractor who fails to withhold, recover or pay to the Commissioner any tobacco levy as provided in paragraph 2 shall be personally liable for the payment to the Commissioner, not later than the date on which the payment should have been made in terms of paragraph 2, of—

- (a) the amount of the tobacco levy which he or she failed to pay; and
- (b) a **further amount equal to 15%** of the amount referred to in subparagraph (a).

(2) If the Commissioner is satisfied in any particular case that a failure to pay any tobacco levy was not due to an intent to evade the provisions of this *Schedule*, he or she may waive the payment of the whole or such part as he or she thinks fit of the amount referred to in subparagraph (1)(b).

(3) ...

Penalty repealed by the Finance Act 1 of 2018 gazetted on the 14th March, 2018 with deemed effect from the **1st February 2009**.

Refund of tobacco levy

6

If it is proved to the satisfaction of the Commissioner that any person has paid any amount by way of tobacco levy in excess of the amount properly payable in terms of this *Schedule*, the Commissioner shall authorize a refund of the amount overpaid:

Provided that the Commissioner shall not authorize a refund in terms of this paragraph unless the claim therefor is made **within 6 years** of the date of the overpayment.

TWENTY-FIFTH SCHEDULE

[*\(Section 36B\)*](#)

Inserted by Act 13/1996 with effect from 1 September 1996.

AUTOMATED FINANCIAL TRANSACTIONS TAX

Interpretation

1

In this Schedule—

“automated teller machine” means an electronic device which enables a customer of a financial institution to perform transactions, including the withdrawal of cash from his account with the institution, directly and without the intervention of a teller or other officer of the financial institution concerned;

“financial institution” means

- (a) a bank, discount house or finance house registered or required to be registered under the [Banking Act \[Chapter 24:20\]](#); or
- (b) a building society registered or required to be registered in terms of the [Building Societies Act \[Chapter 24:02\]](#).

Liability for automated financial transactions tax

2

Whenever a customer of a financial institution—

- (a) withdraws cash from his account with the institution; or
- (b) effects any debit on his account with the institution;

by means of an automated teller machine, the financial institution concerned shall pay to the Commissioner an automated financial transactions tax on each such transaction.

Period within which automated financial transactions tax to be paid

3

Automated financial transactions tax shall be paid in terms of paragraph 2 **not later than the 10th day** of the month following the month in which the transaction in respect of which the tax is payable was effected:

Provided that the Commissioner may for good cause allow the tax to be paid within a further time.

Payment period shortened from 15 days to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8 th January, 2010.
--

Returns to be furnished to Commissioner

4

Payment of the automated financial transactions tax in terms of paragraph 2 shall be accompanied by a return in the form prescribed.

Recovery of automated financial transactions tax from customer

5

Notwithstanding any other law, a financial institution that has paid automated financial transactions tax on any transaction may recover the tax from the customer on whose account the transaction was effected, either by debiting the customer’s account or in any

other manner, in all respects as if the amount of the tax were a fee or charge levied by the financial institution in the ordinary course of its business.

Penalty for nonpayment of automated financial transactions tax

6

(1) Subject to subparagraph (2), a financial institution that fails to pay to the Commissioner any automated financial transactions tax as provided in paragraph 2 shall be liable to pay, in addition to the tax, a further amount equal to **100%** of the unpaid tax.

Amended by Section 61 of Act 18/2000 with effect from the 12th January, 2001.

(2) If the Commissioner is satisfied in any particular case that a failure to pay an automated financial transactions tax was not due to an intent to evade the provisions of this *Schedule*, he may waive the payment of the whole or such part as he thinks fit of the additional amount referred to in subparagraph (1).

(3)

Subpara (3) inserted by Act 8 of 2005 w.e.f. 1st January, 2006. Penalty repealed by the Finance Act 1 of 2018 gazetted on the 14th March, 2018 with deemed effect from the **1st February 2009**.

Refund of automated financial transactions tax

7

If it is proved to the satisfaction of the Commissioner that any person has paid any amount by way of automated financial transactions tax in excess of the amount properly payable in terms of this *Schedule*, the Commissioner shall authorize a refund of the amount overpaid:

Provided that the Commissioner shall not authorize a refund in terms of this paragraph unless the claim therefor is made **within 6 years** of the date of overpayment.

Proviso amended by Act 17 of 1997.

TWENTY-SIXTH SCHEDULE

[*\(Section 36C\)*](#)

Inserted by Act 17 of 1997 from the 1st January 1998, substituted by Act 2 of 2005 from 1st September, 2005; and amended by Act 8 of 2005 from 1st January, 2006 where indicated.

PRESUMPTIVE TAX

PART I

PRELIMINARY

Interpretation

1

In this Schedule—

“appropriate presumptive tax” means the tax payable under this *Schedule* by an informal trader, a small-scale miner, an operator of a taxicab or an operator of an omnibus, as the case may be;

“commercial goods” means goods which are used mainly for the generation of income or the making of profits;

Definition inserted by Act 16 of 2007 from 1st January, 2008.

“commercial waterborne vessel” means—

- (a) any ship, cruiser, boat, houseboat, speedboat, canoe or any other waterborne vessel of whatever description that is employed for the carriage of passengers for profit on inland waters; or
- (b) a fishing rig;

Definition inserted by the Finance (No.2) Act 9 of 2011 w.e.f. the 1st January, 2012.

“cottage industry” means any of the following trades or industries, whether or not they are based in or conducted from the residential premises of the operators thereof, and whether or not the operators use their own tools or equipment—

- (a) furniture-making or upholstery;
- (b) metal fabrication;
- (c) any other cottage industry that the Minister may, by notice in a *statutory instrument*, prescribe;

Definition inserted by the Finance (No.3) Act 10/2009 with effect from the 1st January, 2010.

“cross-border trader” means a person who imports commercial goods into Zimbabwe with the intention of carrying on any trade in those goods, but does not, **subject to paragraph 13C**, include any person registered as an operator in terms of the [Value Added Tax Act \[Chapter 23:12\]](#);

Definition inserted by Act 16 of 2007 from 1st January, 2008,
and amended by the Finance (No.3) Act 10/2009 w.e.f. the 1st January, 2010.

“driving school” means a person registered or required to be registered in terms of the Road Traffic (Driving Schools) Regulations, 1985, published in *Statutory Instrument 309/ 1985*, or any other law substituted for the same;

Definition inserted by Act 8 of 2005 from 1st January, 2006.

“furniture-making industry” means the manufacture for profit of furniture or the fitting of furniture with padding, springs, webbing or covering for profit;

Definition inserted by the Finance (No.3) Act 10/2009 w.e.f. the 1st January, 2010.

“goods vehicle”, “omnibus” and “taxicab” have the meanings given to those terms by [section 2 \(1\) of the Road Motor Transportation Act \[Chapter 13:15\]](#);

Definitions inserted by Act 8 of 2005 from 1st January, 2006.

“hairstressing salon” means a commercial establishment in which any one or hairdressers carry on their occupation or business;

Definition inserted by Act 16 of 2007 from 1st January, 2008.

“holder”, in relation to—

- (a) a registered mining location, means the person in whose name such location is registered with the mining commissioner or with the Secretary responsible for mines; and
- (b) an unregistered mining location, any person who, on his or her own behalf, works the location for mining purposes;

and, in the case of a **deceased person** or of a **company in liquidation** or of any person under a **legal disability**, means the executor, administrator, liquidator, trustee, tutor, curator or other person who has the administration or control of the property of the person in whose name such location is registered or was worked;

“informal cross-border trader” means a cross-border trader who does not furnish to an officer in accordance with paragraph 13C(1)(a) or (b) a tax clearance certificate or proof of registration as a taxpayer in terms of the [Income Tax Act \[Chapter 23:06\]](#);

Definition inserted by Act 16 of 2007 from 1st January, 2008.

“informal trader” means an individual who—

Definition substituted by the Finance Act 2 of 2017 gazetted on 23rd March, 2017 backdated to the 1st January, 2017;

substituted by Finance (No.2) Act 10/2020 w.e.f. 1st January, 2021.

- (a) carries on a trade for his own account from which he derives a gross income of less than US\$**6,000** or such other amount as the Minister may prescribe by notice in the *Gazette*;

amount amended by Act 13/2023 w.e.f. 29th December, 2023.

and

- (b) has not, in the most recent year of assessment for which he could have done so, furnished a return in terms of Part V for the assessment of the income referred to in paragraph (a);

“inland waters” has the meaning given to it in [section 2\(1\) of the Inland Waters Shipping Act \[Chapter 13:06\]](#);

Definition inserted by the Finance (No.2) Act 9 of 2011 w.e.f. the 1st January, 2012.

“intermediary”, in relation to a small-scale miner, means any person who purchases precious metals or precious stones from the small-scale miner and sells them to an agent referred to in paragraph 7(1);

“lessor” means—

- (a) a local authority to which an informal trader pays rent in respect of residential accommodation; or
- (b) any person, including a local authority, to whom an informal trader pays rent in respect of premises or a place in or from which he or she carries on his or her trade as such;

“metal fabrication” means the fabrication of articles from metal for profit or any beneficiation of metal whatsoever for profit;

Definition inserted by the Finance (No.3) Act 10/2009 with effect from the 1st January, 2010.

“mining location” means any location that is worked for mining purposes, whether or not such location is registered with the Mining Commissioner or with the Secretary responsible for mines;

“mining purposes” means the purpose of obtaining or extracting any precious metal or precious stone by any mode or method or any purpose directly or indirectly connected therewith or incidental thereto;

“officer”, for the purposes of Part IVB, means an officer of the department of the Zimbabwe Revenue Authority who is declared in terms of the [Revenue Authority Act \[Chapter 23:11\]](#) to be responsible for assessing, collecting and enforcing the payment of duties in terms of the [Customs and Excise Act \[Chapter 23:02\]](#)

Definition inserted by Act 16 of 2007 from 1st January, 2008 – the Editor has substituted “which” for “who”.

“operator”, in relation to—

- (a) the operation of a **goods vehicle, omnibus or taxicab for the carriage of goods or passengers for hire or reward**, means the person in whose name the goods vehicle, omnibus or taxicab is or is required to be registered in terms of the [Road Motor Transportation Act \[Chapter 13:15\]](#);
- (b) the operation of a **driving school**, means the person to whom a certificate of registration has been issued in terms of the Road Traffic (Driving Schools) Regulations, 1985, published in *Statutory Instrument 309/1985*, or any other law substituted for the same;

Definitions (a) and (b) substituted by Act 8 of 2005 from 1st January, 2006.

- (c) the operation of a hairdressing salon, means the person who owns or is in charge of the salon, whether or not the salon or any hairdresser therein is licensed as such in terms of the [Shop Licences](#)

[Act \[Chapter 14:17\]](#) or under the by-laws of the local authority in which the salon is located;

Definition (c) inserted by Act 16 of 2007 from 1st January, 2008.

- (d) the operation of a restaurant or bottle store, means the person who owns or is in charge of the restaurant or bottle store, whether or not the restaurant or bottle store is licensed as such in terms of the [Shop Licences Act \[Chapter 14:17\]](#) or under the by-laws of the local authority in which the restaurant or bottle store is located, but does not include any such person in possession of—
 - (i) a tax clearance certificate to the effect that he or she has furnished a return under [section thirty-seven](#) for the last year of assessment for which such a return is due; or
 - (ii) proof that he or she is as a registered operator in terms of the [Value Added Tax Act \[Chapter 23:12\]](#);

Definition (d) inserted by the Finance (No.3) Act 10/2009 w.e.f. 1st January, 2010.

- (e) the operation of a **cottage industry**, means the person who owns or is in charge of the cottage industry, whether or not the cottage industry is licensed as such in terms of the [Shop Licences Act \[Chapter 14:17\]](#) or under the by-laws of the local authority in which the cottage industry is located, but does not include any such person in possession of—
 - (i) a tax clearance certificate to the effect that he or she has furnished a return under [section thirty-seven](#) for the last year of assessment for which such a return is due; or
 - (ii) proof that he or she is as a registered operator in terms of the [Value Added Tax Act \[Chapter 23:12\]](#);

Definition (e) inserted by the Finance (No.3) Act 10/2009 w.e.f. 1st January, 2010.

- (f) the operation of a **commercial waterborne vessel**, means the person who owns or is in control of the commercial waterborne vessel, whether or not such vessel is registered in terms of the [Inland Waters Shipping Act \[Chapter 13:06\]](#), but does **not include** any such person in possession of—
 - (i) a tax clearance certificate to the effect that he or she has furnished a return under [section thirty-seven](#) for the last year of assessment for which such a return is due; or
 - (ii) proof that he or she is as a registered operator in terms of the [Value Added Tax Act \[Chapter 23:12\]](#);

Definition (f) inserted by the Finance (No.2) Act 9 of 2011 w.e.f. the 1st January, 2012.

“precious metals” means gold, silver, platinum, platinoid metals, chrome and tantalite in an unmanufactured state, and includes all such slimes, concentrates, slags, tailings, residues and amalgams as are valuable and contain such precious metals;

Definition substituted by Act 8 of 2005 from 1st January, 2006.

“precious stones” means rough or uncut diamonds or emeralds or any substances which may be declared by the Minister by notice in the *Gazette* to be precious stones for the purposes of this *Schedule*;

“quarter” means a period of 3 months ending on the 31st March, 30th June, 30th September and 31st December in each year;

“restaurant or bottle store” includes any bar or beer-hall and any other place where food or drink is served to members of the public for payment, whether consumed on or off the premises of the restaurant or bottle store;

Definition inserted by the Finance (No.3) Act 10/2009 with effect from the 1st January, 2010.

“self-employed professional” means an individual who, on his or her own account or as a member of a partnership, earns income as—

Definition inserted by the Finance (No.2) Act 10/2020 w.e.f. 1st January, 2021.

- a) an **architect** registered or required to be registered under the [Architects Act \[Chapter 27:01\]](#), or
- b) an **engineer** or **technician** registered or required to be registered under the [Engineering Council Act \[Chapter 27:22\]](#); or
- c) a **legal practitioner** registered or required to be registered under the [Legal Practitioners Act \[Chapter 27:07\]](#); or
- d) a **health practitioner** registered or required to be registered under the [Health Professions Act \[Chapter 27:19\]](#); or
- e) **real estate agents** registered or required to be registered under the [Estate Agents Act \[Chapter 27:17\]](#);

but does **not include** any such individual in possession of a **tax clearance certificate** to the effect that he or she has furnished a return under [section thirty-seven](#) for the last year of assessment for which such a return is due;

or

“small-scale miner” means a holder or tributor of a mining location whose output of precious metals or precious stones from his or her mining operations do not exceed such level for such period as the Minister shall, by notice in the *Gazette* prescribe, and includes any intermediary:

Provided that, notwithstanding any such prescription, a miner shall be presumed to be a small-scale miner if he or she—

- (a) does not produce a valid tax clearance certificate to an agent in terms of paragraph 8(1); or
- (b) produces a valid tax clearance certificate to an agent in terms of paragraph 8(1) relating only to the payment of presumptive tax in terms of this *Schedule*;

“**tributor**” means the lessee or assignee of the rights of a holder.

PART II

INFORMAL TRADERS’ PRESUMPTIVE TAX

Informal traders to notify status

2

(1) Every informal trader who pays rent to a lessor in respect of residential accommodation, premises or a place referred to in paragraph (a) or (b) of the definition of “**lessor**” in paragraph 1 shall notify that lessor of his or her status as an informal trader.

(2) A lessor who has been notified by an informal trader of his or her status as provided in subparagraph (1) shall record the notification, together with the informal trader’s name, address and such other particulars as may be prescribed, and shall forthwith send the Commissioner written notification thereof in a form approved by the Commissioner.

(3) The failure by an informal trader or a lessor to comply with this paragraph shall not affect such trader’s or lessor’s liability for any presumptive tax in terms of this *Schedule*.

Subpara (3) inserted by the Finance (No.2) Act 10/2020 w.e.f. 1st January, 2021.

Collection of presumptive tax from informal trader

3

(1) Whenever an informal trader pays a lessor, the lessor shall recover from him or her an additional amount by way of presumptive tax, equal to the amount fixed from time to time in the Charging Act:

Substituted by the Finance (No.2) Act 10/2020 w.e.f. 1st January, 2021.

Provided that the lessor shall not recover any such amount where the informal trader produces to the lessor a valid tax clearance certificate in respect of the income received by or accruing to him or her from his or her trade.

(2) A lessor who has recovered an amount by way of presumptive tax in terms of subparagraph (1) shall pay the amount to the Commissioner **within 30 days** of the date on which he or she recovers it or within such further time as the Commissioner may for good cause allow.

(3) Payment of presumptive tax in terms of subparagraph (2) shall be accompanied by a return in the form prescribed.

Certificates to be provided to informal traders who pay presumptive tax

4

(1) Whenever he or she has recovered any amount by way of presumptive tax in terms of paragraph 3, a lessor shall provide the informal trader with a certificate in a form approved by the Commissioner showing—

- (a) the amount of rent paid by the informal trader; and
- (b) the amount of presumptive tax recovered from him or her.

(2) For the purposes of [section eightyA](#) or any other purpose, the Commissioner shall, on production to him or her by an informal trader of a certificate referred to in subparagraph (1), furnish the informal trader with a tax clearance certificate in respect of the presumptive tax shown on the first-mentioned certificate to have been paid.

Penalty for non-payment of presumptive tax payable in respect of informal traders

5

(1) Subject to subparagraph (2), a lessor who, having been notified by an informal trader of his or her status in terms of paragraph 2, fails to recover presumptive tax in terms of paragraph 3(1) and additionally, or alternatively, fails to pay any such tax to the Commissioner in terms of paragraph 3(2) shall be personally liable for the payment to the Commissioner, not later than the date on which the payment should have been made in terms of subparagraph (2) of that paragraph, of—

- (a) the amount of presumptive tax which he or she failed to pay; and
- (b) a further amount equal to the amount referred to in subparagraph (a).

(2) If the Commissioner is satisfied in any particular case that a failure to pay any presumptive tax under this Part was not due to an intent to evade the provisions of this Part, he or she may waive the payment of the whole or such part as he or she thinks fit of the amount referred to in paragraph (1)(b).

Effect on lease of failure to pay presumptive tax in respect of informal traders

6

Notwithstanding any other law or any provision of a lease between a lessor and an informal trader—

- (a) payment by an informal trader of rent for any premises or place referred to in paragraph (a) or (b) of the definition of “**lessor**” in paragraph 1 shall not constitute a valid payment under the lease concerned unless the payment is accompanied by any presumptive tax required to be paid in terms of this Part;
- (b) a failure or refusal on the part of an informal trader to pay presumptive tax required to be paid in terms of this Part shall constitute a breach of a fundamental term of the lease concerned, entitling the lessor to terminate it without notice.

***PART III**

SMALL-SCALE MINERS’ PRESUMPTIVE TAX

Agents for collection of presumptive tax from small-scale miners

7

(1) The following shall be agents for the collection of presumptive tax from small-scale miners under this Part—

- (a) the Minerals Marketing Corporation of Zimbabwe, established by the [Minerals Marketing Corporation of Zimbabwe Act \[Chapter 21:04\]](#); and
- (b) the Reserve Bank of Zimbabwe established by the [Reserve Bank of Zimbabwe Act \[Chapter 22:15\]](#), in its capacity as a buyer of precious metals; and
- (c) Fidelity Printers and Refiners (Pvt) Ltd; and
- (d) any holder of a gold-buying permit granted in terms of section 5 of the Gold Trade (Gold-buying Permits for Concession Areas) Regulations, 2002, published in *Statutory Instrument 328 of 2002*, or the agent of such a permit-holder appointed in terms of section 8 of those regulations; and
- (e) such other person as the Commissioner may in writing appoint for the purposes of this Part.

(2) Every agent who buys any precious metals or precious stones from a small-scale miner shall, **no later than 30 days** from the date of commencement of this *Schedule*, or, in the case of a small-scale miner from whom he or she has not, before that date, bought any precious metals or precious stones, **30 days** from the date when he or she buys precious metals or precious stones from a small-scale miner for the first time, as the case may be, notify the Commissioner in writing of the name, home address and address of the mining location of the small-scale miner concerned.

(3) An agent shall maintain such records of any small-scale miner from whom he buys any precious metals or precious stones as the Commissioner may require from time to time.

Withholding of presumptive tax from amounts payable to small-scale miners

8

(1) Subject to this paragraph, unless a small-scale miner produces to the agent to whom he or she sells any precious metals or precious stones a valid tax clearance certificate in respect the income earned or to be earned from the sale of the precious metals or precious stones in question, the agent shall withhold from the gross amount payable to the small-scale miner for the sale of the precious metals or precious stones in question an amount equal to such percentage of the amount so paid as is fixed from time to time in the charging Act, and shall remit each amount so withheld to the Commissioner **on or before the 10th day** of the month following that in which the payment was made:

deadline for the remittance of the amount withheld shortened from the 20th day of the following month, by the Finance (No.3) Act 10/2009 w.e.f. the 1st January, 2010.

Provided that the Commissioner may, for good cause shown, allow the tax to be remitted at a later date.

(2) The amounts of tax withheld in terms of subparagraph (1) shall be payable at any branch, division or department of the Zimbabwe Revenue Authority responsible for assessing, collecting and enforcing the payment of taxes under this Act.

(3) Where an agent has withheld any amount in terms of subparagraph (1) he shall furnish the small-scale miner concerned with a certificate, in a form approved by the Commissioner, showing the amount so withheld.

(4) For the purposes of [section eighty A](#) or any other purpose, the Commissioner shall, on production to him or her by a small-scale miner of a certificate referred to in subparagraph (2), furnish the small-scale miner with a tax clearance certificate in respect of the presumptive tax shown on the first-mentioned certificate to have been paid.

Interest on overdue presumptive tax payable in respect of small-scale miners

9

If presumptive tax is not paid timeously in terms of paragraph 8, interest, calculated at a rate to be fixed by the Minister by *statutory instrument*, shall be payable on so much of the tax as remains unpaid during the period beginning on the day next following the last day provided for its payment and ending on the date the tax is paid in full:

Provided that in special circumstances the Commissioner may extend the time for payment of the tax without charging interest.

Penalty for non-payment of presumptive tax payable in respect of small-scale miners

10

(1) Subject to subparagraph (2), an agent who fails to recover presumptive tax in terms of paragraph 8(1) and additionally, or alternatively, fails to pay any such tax to the Commissioner in terms of that paragraph shall be personally liable for the payment to the Commissioner, not later than the date on which the payment should have been made in terms of that paragraph, of—

- (a) the amount of presumptive tax which he failed to pay; and
- (b) a further amount equal to the amount referred to in subparagraph (a).

“of” omitted by the Editor for sense sake. The words “or she” is missing from theses sections.

(2) If the Commissioner is satisfied in any particular case that a failure to pay any presumptive tax under this Part was not due to an intent to evade the provisions of this Part, he may waive the payment of the whole or such part as he thinks fit of the amount referred to in paragraph (1)(b).

PART IV

TRANSPORT AND DRIVING SCHOOL OPERATORS’ PRESUMPTIVE TAX

Payment of presumptive tax by operators of driving schools and transport services

11

(1) Subject to this paragraph, **no later than 20 days** after the end of each quarter, every operator of—

- (a) a taxicab for the carriage of passengers for hire or reward having seating accommodation for **not more than 7** passengers, shall pay the amount of presumptive tax that is fixed from time to time in the charging Act; or
- (b) an omnibus for the carriage of passengers for hire or reward having seating accommodation for not less than 8 or **more than 14** passengers, shall pay the amount of presumptive tax that is fixed from time to time in the charging Act; or
- (c) an omnibus for the carriage of passengers for hire or reward having seating accommodation for not less than 15 or **more than 24** passengers, shall pay the amount of presumptive tax that is fixed from time to time in the charging Act; or
- (d) an omnibus for the carriage of passengers for hire or reward having seating accommodation for not less than 25 or **more than 36** passengers, shall pay the amount of presumptive tax that is fixed from time to time in the charging Act; or
- (e) an omnibus for the carriage of passengers for hire or reward having seating accommodation for **not less than 37 passengers**, shall pay the amount of presumptive tax that is fixed from time to time in the charging Act:

Provided that the Commissioner may, for good cause shown, allow the tax to be paid over at a later date; or

- (f) a goods vehicle for the carriage of goods for hire or reward having a carrying capacity—
 - (i) of more than 10 tonnes but less than 20 tonnes; or
 - (ii) of 10 tonnes or less but which is driving one or more trailers resulting in a combined carrying capacity of more than 15 tonnes but less than 20 tonnes; or
 - (iii) of 20 tonnes or more;
 shall pay the amount of presumptive tax that is fixed from time to time in the charging Act;

Subparas (f) and (g) inserted by Act 8 of 2005 from 1 st January, 2006.
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or

- (g) a driving school providing driving tuition—
 - (i) for class 4 vehicles only; or
 - (ii) for class 1 and 2 vehicles (whether or not in addition to providing driving tuition for other classes of vehicles);
 shall pay the amount of presumptive tax that is fixed from time to time in the charging Act.

(2) The amounts of presumptive tax payable in terms of subparagraph (1) shall be payable at any branch, division or department of the Zimbabwe Revenue Authority responsible for assessing, collecting and enforcing the payment of taxes under this Act.

(3) When an operator has paid the amount of presumptive tax due in terms of subparagraph (1), the Commissioner shall furnish the operator concerned with the appropriate tax clearance certificate.

*Interest on overdue presumptive tax payable in respect of operators of
passenger transport services*

12

If presumptive tax is not paid timeously in terms of paragraph 12, interest, calculated at a rate to be fixed by the Minister by *statutory instrument*, shall be payable on so much of the tax as remains unpaid during the period beginning on the day next following the last day provided for its payment and ending on the date the tax is paid in full:

See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#)
gazetted on the 19th December, 2022 backdated to the 1st DECEMBER, 2022

Provided that in special circumstances the Commissioner may extend the
time for payment of the tax without charging interest.

Taxicab and omnibus operators to carry tax clearance certificates in vehicles

Paragraph 12A inserted by Act 6 of 2006 from 1st September, 2006.

12A

(1) Every tax clearance certificate issued to the operator of an omnibus or taxicab shall be carried in the omnibus or taxicab to which it relates.

(2) If any tax clearance certificate is lost or destroyed or any essential particulars thereon have been defaced or if the certificate is dilapidated, the Commissioner-General, on application by the holder thereof and on payment of the fee, if any, prescribed, shall issue a duplicate tax clearance certificate.

(3) A police officer may demand that any operator or person in charge of an omnibus or taxicab produce a tax clearance certificate as proof that he or she has paid the presumptive tax payable in respect of the omnibus or taxicab.

(4) Subject to [subsection \(5\)](#), any person in charge of an omnibus or taxicab who does not carry a tax clearance certificate as required by subparagraph (1) or who fails to produce it as required by subparagraph (3) shall, whether or not he or she is the operator of the omnibus or taxicab, be guilty of an offence and liable to a fine equal to the amount of the presumptive tax payable for the omnibus or taxicab or, in default of payment, to imprisonment for a period not exceeding six months:

Provided that if the failure to carry a tax clearance certificate was due to its
loss or destruction and not to non-payment of presumptive tax, a police
officer may require the person in charge of the omnibus or taxicab
concerned or, if he or she is not the operator of the omnibus or taxicab, the

operator thereof, to produce a duplicate certificate **within 7 days** at such place as the police officer shall specify.

(5) A person referred to in subparagraph (4) may sign and deliver to the police officer referred to in that subparagraph a document admitting that he or she is guilty of the said offence and deposit with such officer a fine equal to the amount of the presumptive tax payable for the omnibus or taxicab, and such person shall thereupon, subject to subparagraph (6), not be required to appear in court to answer the charge of having committed the said offence.

(6) [Section 356 of the Criminal Procedure and Evidence Act \[Chapter 9:07\]](#) shall apply to the procedure to be followed in relation to an admission of guilt made under subparagraph (4).

(7) The Zimbabwe Republic Police shall furnish to the Commissioner-General the name of every person who has compounded or been convicted of an offence in terms of this paragraph.

PART IVA

HAIRDRESSING SALON OPERATORS' PRESUMPTIVE TAX

Part IVA inserted by Act 16 of 2007 from 1st January, 2008.

Payment of presumptive tax by hairdressing salon operators

13A

(1) Subject to this paragraph, **no later than 20 days** after the end of each quarter, every operator of a hairdressing salon, shall pay the amount of presumptive tax that is fixed from time to time in the charging Act:

Provided that the Commissioner may, for good cause shown, allow the tax to be paid over at a later date.

(2) The amount of presumptive tax payable in terms of subparagraph (1) shall be payable at any branch, division or department of the Zimbabwe Revenue Authority responsible for assessing, collecting and enforcing the payment of taxes under this Act or through any agent of the Zimbabwe Revenue Authority notified by the Commissioner.

(3) Where an operator of a hairdressing salon has paid the amount of presumptive tax due in terms of subparagraph (1), the Commissioner shall furnish the operator with the appropriate tax clearance certificate.

Interest on overdue hairdressing salon operators' presumptive tax

13B

If presumptive tax is not paid timeously in terms of paragraph 13A, interest, calculated at a rate to be fixed by the Minister by *statutory instrument*, shall be payable on so much of the tax as remains unpaid during the period beginning on the day next following the last day provided for its payment and ending on the date the tax is paid in full:

See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#) gazetted on the 19th December, 2022 backdated to the 1st DECEMBER, 2022

Provided that in special circumstances the Commissioner may extend the time for payment of the tax without charging interest.

PART IVB
INFORMAL CROSS-BORDER TRADERS' PRESUMPTIVE TAX

Part IVB inserted by Act 16 of 2007 from 1st January, 2008.

Payment of presumptive tax by informal cross-border traders

13C

(1) Whenever a cross-border trader imports any commercial goods into Zimbabwe, he or she shall pay to the officer concerned a presumptive tax of such percentage of the value for duty purposes of the commercial goods concerned as is fixed from time to time in the charging Act, unless cross-border trader produces to the officer—

- (a) a tax clearance certificate to the effect that he or she has furnished a return under [section thirty-seven](#) for the last year of assessment for which such a return is due; or
- (b) proof that he or she is as a registered taxpayer in terms of the [Income Tax Act \[Chapter 23:06\]](#):

Provided that, where a person produces a tax clearance certificate or proof of registration as a taxpayer referred to in paragraph (a) or (b), but he or she is in arrears of any tax or duty payable under this [Act, the Value Added Tax Act \[Chapter 23:12\]](#) or the [Customs and Excise Act \[Chapter 23:02\]](#), this Part shall apply to such person as if he or she was an informal cross-border trader.

proviso inserted by the Finance (No.3) Act 10/2009 w.e.f. the 1st January, 2010.

(2) Where an informal cross-border trader has paid any amount of presumptive tax in terms of subparagraph (1), the officer concerned shall furnish the informal cross-border trader concerned with the appropriate tax clearance certificate.

(3) Where no payment of presumptive tax is made in terms of this paragraph the officer concerned shall treat the commercial goods in question as if they are goods in respect of which no due entry has been made in terms of the [Customs and Excise Act \[Chapter 23:02\]](#), and the appropriate provisions of that Act shall apply accordingly to those goods.

PART IVC
RESTAURANT OR BOTTLE-STORE OPERATORS' PRESUMPTIVE TAX

Part IVC inserted by the Finance (No.3) Act 10/2009 w.e.f. the 1st January, 2010.

Payment of presumptive tax by restaurant or bottle-store operators

13D

(1) Subject to this paragraph, **no later than 10 days** after the end of each quarter, every operator of a restaurant or bottle-store shall pay the amount of presumptive tax that is fixed from time to time in the Charging Act.

Provided that the Commissioner may, for good cause shown, allow the tax to be paid over at a later date.

(2) The amount of presumptive tax payable in terms of subparagraph (1) shall be payable at any branch, division or department of the Zimbabwe Revenue Authority responsible for assessing, collecting and enforcing the payment of taxes under this Act or through any agent of the Zimbabwe Revenue Authority notified by the Commissioner.

(3) Where an operator of restaurant or bottle-store has paid the amount of presumptive tax due in terms of subparagraph (1), the Commissioner shall furnish the operator with the appropriate tax clearance certificate.

Interest on overdue restaurant or bottle-store operators' presumptive tax

13E

If presumptive tax is not paid timeously in terms of paragraph 13D, interest, calculated at a rate to be fixed by the Minister by *statutory instrument*, shall be payable on so much of the tax as remains unpaid during the period beginning on the day next following the last day provided for its payment and ending on the date the tax is paid in full:

See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#) gazetted on the 19th December, 2022 backdated to the 1st DECEMBER, 2022

Provided that in special circumstances the Commissioner may extend the time for payment of the tax without charging interest.

PART IVD

COTTAGE INDUSTRY OPERATORS' PRESUMPTIVE TAX

Part IVD inserted by the Finance (No.3) Act 10/2009 w.e.f. the 1st January, 2010.

Payment of presumptive tax by cottage industry operators

13F

(1) Subject to this paragraph, **no later than 10 days** after the end of each quarter, every operator of a cottage industry operators shall pay the amount of presumptive tax that is fixed from time to time in the Charging Act:

Provided that the Commissioner may, for good cause shown, allow the tax to be paid over at a later date.

(2) The amount of presumptive tax payable in terms of subparagraph (1) shall be payable at any branch, division or department of the Zimbabwe Revenue Authority responsible for assessing, collecting and enforcing the payment of taxes under this Act or through any agent of the Zimbabwe Revenue Authority notified by the Commissioner.

(3) Where an operator of a cottage industry has paid the amount of presumptive tax due in terms of subparagraph (1), the Commissioner shall furnish the operator with the appropriate tax clearance certificate.

Interest on overdue cottage industry operators' presumptive tax

13G

If presumptive tax is not paid timeously in terms of paragraph 13F, interest, calculated at a rate to be fixed by the Minister by *statutory instrument*, shall be payable on so much of the tax as remains unpaid during the period beginning on the day next following the last day provided for its payment and ending on the date the tax is paid in full:

See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#)
gazetted on the 19th December, 2022 backdated to the 1st DECEMBER, 2022

Provided that in special circumstances the Commissioner may extend the time for payment of the tax without charging interest.

PART IVE

COMMERCIAL WATERBORNE VESSEL OPERATORS' PRESUMPTIVE TAX

Inserted -with incorrect numbering as Part IVF- by the Finance (No.2) Act 9 of 2011 w.e.f. the 1st January, 2012.

Payment of presumptive tax by operators of commercial waterborne vessels

Editor has renumbered the para below, as 13G already appears above

13H

(1) Subject to this paragraph, **no later than 10 days** after the end of each quarter, every operator of a commercial waterborne vessel shall pay the amount of presumptive tax that is fixed from time to time in the Charging Act:

Provided that the Commissioner may, for good cause shown, allow the tax to be paid over at a later date.

(2) The amount of presumptive tax payable in terms of subparagraph (1) shall be payable at any branch, division or department of the Zimbabwe Revenue Authority responsible for assessing, collecting and enforcing the payment of taxes under this Act or through any agent of the Zimbabwe Revenue Authority notified by the Commissioner.

(3) Where an operator of commercial waterborne vessel has paid the amount of presumptive tax due in terms of subparagraph (1), the Commissioner shall furnish the operator with the appropriate tax clearance certificate.

PART IVG
SELF-EMPLOYED PROFESSIONALS' PRESUMPTIVE TAX
[Inserted by the Finance (No.2) Act 10 of 2020 w.e.f. 1st January, 2021
REPEALED by the Finance Act, 2024 gazetted on the 28th October, 2024.]

PART V

GENERAL

When presumptive taxpayers exempt from submitting returns

13

(1) For the avoidance of doubt, but subject to subparagraphs (2) and (3), it is declared that the payment of any amount by way of presumptive tax in terms of this *Schedule* does not exempt the presumptive taxpayer concerned from the provisions of this Act relating to the furnishing of returns and the payment of tax:

Provided that, without prejudice to the obligation of the presumptive taxpayer to render the return or make the arrangements mentioned in paragraphs (a) and (b) below, a presumptive taxpayer shall be entitled to be issued with a tax clearance certificate in respect of his or her payment of presumptive tax in terms of this Schedule, notwithstanding that he or she has not—

- (a) furnished a return under [section thirty-seven](#) for the last year of assessment for which such a return is due; or
- (b) made arrangements satisfactory to the Commissioner-General for the furnishing of a return referred to in paragraph (a).

(2) Where the Minister prescribes a level of output of precious metals or precious stones for the purposes of the definition of “**small-scale miner**” contained in paragraph 1, and a holder or tributor of any mining location is deemed to be a small-scale miner because his or her output of precious metals or precious stones is below the level prescribed, such small-scale miner shall, if his or her investment in any such mining location is the sole source of his or her income, be exempt from furnishing a return under [section thirty-seven](#).

(3) The Minister may, by notice in the *Gazette*, prescribe the level turnover for any period specified in that notice below which the operator of an omnibus or taxicab for the carriage of passengers for hire or reward shall be exempt from furnishing a return under [section thirty-seven](#).

Refund of excess payment of presumptive tax

14

If it is proved to the satisfaction of the Commissioner that any person has paid an amount by way of presumptive tax under this *Schedule* in excess of the amount properly payable in terms of this Part, the Commissioner shall authorise a refund of the amount overpaid;

Provided that the Commissioner shall not authorise a refund in terms of this paragraph unless the claim therefore is made **within 6 years** of the date of the overpayment.

Interest on unpaid penalties

15

Paragraph 15 inserted by Act 8 of 2005 from 1st January, 2006. Penalty repealed by the Finance Act 1 of 2018 gazetted on the 14th March, 2018 with deemed effect from the **1st February 2009**.

TWENTY-SEVENTH SCHEDULE

(Section 36D)

Inserted by Act 22 of 1999 from 1 January 1999.

DEMUTUALISATION LEVY

Interpretation

1

(1) In this Schedule—

“affected company” means an insurance company which carries on insurance business in Zimbabwe consequent upon a demutualisation scheme effected by a mutual society;

“Commissioner of Insurance” means the person referred to in [paragraph \(a\) of subsection \(1\) of section 4 of the Insurance Act \[Chapter 24:07\]](#);

“demutualisation levy” means the levy required to be paid in terms of paragraph 2;

“demutualisation scheme” means a scheme which—

(a) is sanctioned by the Minister in accordance with [section 33 of the Insurance Act \[Chapter 24:07\]](#); and

(b) results in—

(i) all or most of the insurance business of a mutual society being transferred to an insurance company; or

(ii) the conversion of a mutual society into an insurance company, to the extent that such a conversion may be permitted in terms of the [Insurance Act \[Chapter 24:07\]](#);

by combination of the results referred to in subparagraph (i) and (ii);

“free reserve” means funds accumulated by a mutual society which represent the excess of assets over liabilities, the value of which is determined in accordance with paragraph 3;

“free share” means a share allotted and issued in terms of a demutualisation scheme to a member of the affected company concerned, but does not include a share issued for the purposes of raising capital for the affected company;

“insurance business” has the meaning assigned to it in [section 3 of the Insurance Act \[Chapter 24:07\]](#);

“insurance company” has the meaning assigned to it in [subsection \(1\) of section 11 of the Insurance Act \[Chapter 24:07\]](#);

“mutual society” means—

(a) a mutual insurance society as defined in [subsection \(2\) of section 11 of the Insurance Act \[Chapter 24:07\]](#); or

(b) an existing society as defined in [subsection \(1\) of section II or subsection \(1\) of section 90 of the Insurance Act \[Chapter 24:07\]](#);

“share” includes any share, stock, security, debenture or other interest capable of being sold in a stock exchange, share market or otherwise;

“Zimbabwean member” means a member or former member of a mutual society—

- (a) to whom free shares are allotted in terms of a demutualisation scheme concluded by the mutual society; and
- (b) who is regarded as being resident in Zimbabwe in accordance with subparagraph (2).

(2) A member or former member of a mutual society shall be regarded as being resident in Zimbabwe for the purposes of this Schedule if—

- (a) in the case of an individual, he is ordinarily resident in Zimbabwe; or
- (b) in the case of a company or a trust, it is effectively managed in Zimbabwe; or
- (c) in the case of any person whose place of residence or control cannot, in the Commissioner's opinion, be determined by the affected company concerned, his last address recorded in the mutual society's records is in Zimbabwe.

Demutualisation Levy

2

Subject to this Schedule, a demutualisation levy shall be paid, at the rate fixed from time to time in the charging Act, upon an amount calculated according to the following formula in respect of each Zimbabwean member of a mutual society who is allotted free shares pursuant to a demutualisation scheme—

$$\frac{A \times B}{C}$$

where—

- A** represents the total free reserves of the mutual society concerned, calculated in accordance with paragraph 3;
- B** represents the value of the free shares allotted to the Zimbabwean member concerned;
- C** represents the total value of the free shares allotted to all members of the mutual society concerned.

Determination of free reserve

3

(1) Subject to subparagraph (3), the value of the free reserve of a mutual society shall be determined for the purposes of paragraph 2 from the statements deposited with the Commissioner of Insurance by the affected company concerned in terms of paragraph (a) of [section 34 of the Insurance Act \[Chapter 24:07\]](#).

(2) The date as at which the free reserve of a mutual society shall be determined for the purposes of paragraph 2 shall be—

- (a) the date on which the mutual society's insurance business is transferred to the affected company or, where the business is transferred on different dates, such of those dates as the Commissioner of Insurance may approve; or

(b) the date on which the mutual society is convened into an insurance company;
as the case may be.

(3) The value of the free reserve of a mutual society, as determined in accordance with subparagraphs (1) and (2), shall be increased by **15% per annum** from the date referred to in subparagraph (2) until the date on which free shares are issued to the Zimbabwe member concerned.

Responsibility for paying demutualisation levy

4

Subject to paragraph 9, the affected company concerned shall be responsible for paying the demutualisation levy on behalf of its Zimbabwe members.

Payment of demutualisation levy

5

(1) An affected company that is responsible for paying any demutualisation levy shall pay the levy to the Commissioner **within 3 months** after issuing to the Zimbabwean member concerned the free shares on which the levy is calculated, or within such further time as the Commissioner may for good cause allow.

(2) Payment of any demutualisation levy in terms of subparagraph (1) shall be accompanied by a return in the form prescribed.

Recoupment of levy paid by affected company

6

(1) An affected company that has paid any demutualisation levy on behalf of a Zimbabwean member shall be entitled to recover the amount paid from the member concerned.

(2) Without derogation from the generality of subparagraph (1), an affected company may effect a recovery in terms of that subparagraph by withholding from the free shares issued to the Zimbabwean member concerned such number of shares as is equal in value to the amount of demutualisation levy paid on that member's behalf:

Provided that —

- (i) the affected company shall hold and dispose of any shares so withheld in accordance with the [Insurance Act \[Chapter 24:07\]](#);
- (ii) any shares so withheld shall be counted for the purposes of assessing the Zimbabwean member's liability for demutualisation levy.

Assessment by Commissioner

7

Where—

- (a) the full amount of demutualisation levy has not been paid within the period referred to in paragraph 5; or

- (b) an affected company is unable to assess the amount of demutualisation levy payable by any of its Zimbabwean members

the Commissioner may make an assessment of the amount payable and give notice thereof to the affected company concerned, and the affected company shall be liable to pay that amount accordingly.

Interest and penalties for late payment or non-payment of demutualisation levy

8

(1) Interest shall be payable at the prescribed rate on any amount of demutualisation levy that is not paid within the period referred to in paragraph 5.

(2) Without derogation from paragraph 7 or subparagraph (1), an affected company that fails to pay any amount of demutualisation levy within the period referred to in paragraph 5 shall become **personally** liable for the payment to the Commissioner, by not later than three months after the date on which the levy should have been paid, of—

- (a) the demutualisation levy which should have been paid; and
- (b) a further amount equal to **15%** of the demutualisation levy that should have been paid.

(3) If the Commissioner is satisfied in any particular case that a delay in paying any amount of demutualisation levy, or a failure to pay such an amount, was not due to any intent to evade the provisions of this *Schedule*, he may waive the payment of the whole or such part as he thinks fit or repay the whole or such part as he thinks fit of any interest or amount referred to in subparagraph (1) or (2).

Liability of Zimbabwean member for payment of demutualisation levy

9

(1) Without derogation from paragraphs 7 and 8, if an affected company has failed to pay any amount of demutualisation levy on behalf of a Zimbabwean member to whom the company has issued free shares, the Commissioner may, by written notice to the Zimbabwean member concerned, require him to pay the amount within such reasonable period, being **not less than 3 months**, as the Commissioner may specify in the notice, and the Zimbabwean member shall thereupon become liable to pay the amount accordingly.

(2) Subparagraph (2) of paragraph 5 and paragraphs 7 and 8 shall apply, *mutatis mutandis*, in respect if a Zimbabwean member who becomes liable to pay any amount in terms of subparagraph (1).

Refund of overpayments

10

(1) If it is proved to the satisfaction of the Commissioner that any person has been charged with demutualisation levy in excess of the amount properly chargeable in terms of this *Schedule*, the Commissioner shall authorize a refund in so far as it has been overpaid:

Provided that the Commissioner shall not authorise a refund in terms of this paragraph unless a claim for it is made **within 6 years** of the date of payment of the levy.

TWENTY-EIGHTH SCHEDULE

([Section 36E](#))

Substituted by Act 8 of 2005 from 1st January, 2006
See *Gonese I v Minister of Finance and Economic Development* [22-HH-265](#) declaring this Schedule
illegal Editor

CARBON TAX

Interpretation

1

In this Schedule

“carbon tax certificate” means a certificate of payment of carbon tax issued in terms of paragraph 4;

“liable person” means a person liable to pay carbon tax in terms of paragraph 3, but does not, for the purposes of this *Schedule*, include—

- (a) a diplomatic mission which, or any person connected with that mission who, enjoys the privileges and immunities provided under the [Privileges and Immunities Act \[Chapter 3:03\]](#);
- (b) any international or regional organization upon which the President has conferred any of the privileges and immunities set out in the Third Schedule to the [Privileges and Immunities Act \[Chapter 3:03\]](#);

“motor vehicle” has the meaning given to that term in [section 2\(1\) of the Vehicle Registration and Licensing Act \[Chapter 13:14\]](#);

“NOCZIM” means the National Oil Company of Zimbabwe (Private) Limited;

“oil company or other person or entity engaged in oil procurement” means a company, person or entity licensed or authorised by the Ministry responsible for energy to import petroleum products in bulk or purchase or import them for resale;

“petroleum product” means

- (a) leaded or unleaded petrol; or
 - (b) the fuel designed for use in a compression-ignition engine, commonly known as diesel fuel; or
 - (c) any refined petroleum capable of being used as a motor-spirit; or
- but does not include aviation fuel, illuminating paraffin or power paraffin;

“State oil procurement entity” means NOCZIM or any other oil procurement entity formed by the State in addition to or substitution for NOCZIM.

Payment of carbon tax under section 22E(1)

2

Whenever an oil company or other person or entity engaged in oil procurement or wishing to use the petroleum product for his or her own consumption imports any petroleum product, he or she shall pay the required carbon tax to the Zimbabwe Revenue Authority at the port of entry of the petroleum product;

Amended by Act 6 of 2006 backdated to the 1st January, 2006.

Provided that the Minister may, by notice in the *Gazette*, exempt any power generation project (as defined in [section 14\(1\) of the Finance Act \[Chapter 23:04\]](#) from liability for carbon tax under this period for a temporary or indefinite period, and may backdate such exemption.

proviso inserted by the Finance Act 1 of 2018 w.e.f. 14th March, 2018.

Liability for and payment of carbon tax by visitors to Zimbabwe

3

(1) A visitor to Zimbabwe who uses within Zimbabwe a motor vehicle registered outside Zimbabwe shall

(a) upon entering Zimbabwe; and

(b) for each month or part of a month during which he or she visits Zimbabwe;

pay the required carbon tax in respect of such vehicle to the Zimbabwe Revenue Authority, in United States dollars, Euros or any other currency denominated under the Exchange Control (**General**) Order, 1996 ([Statutory Instrument 110 of 1996](#)), at the rate of exchange specified in the Exchange Control (**Exchange Rate**) Direction, 2002 ([Statutory Instrument 223 of 2002](#)) or the equivalent international cross rate of exchange if the tax is paid otherwise than in United States dollars.

(2) Carbon tax shall be payable at any port of entry or branch or division department of the Zimbabwe Revenue Authority responsible for assessing, collecting and enforcing the payment of taxes under this Act:

Provided that if a visitor to Zimbabwe stays in Zimbabwe for a longer period than the period for which he originally paid carbon tax he or she shall, at any time before leaving Zimbabwe, pay the additional carbon tax in respect of such vehicle to the Zimbabwe Revenue Authority in foreign currency as provided in this paragraph.

(3) Any person who fails to comply with subparagraph (1) or (2) shall incur a penalty of **2%** of the carbon tax due for every week or part of a week during which the default continues, and every such penalty shall be recoverable by the Commissioner by action in any court of competent jurisdiction.

Carbon tax receipt

4

- (1) A liable person shall, when paying over any carbon tax in terms of this Schedule, complete a prescribed form.
- (2) Upon completion of the prescribed form and payment of the required carbon tax, the certifying authority shall issue him or her with a carbon tax receipt.
- (3) A police officer may demand that any liable person produce a carbon tax receipt as proof that he or she has paid the carbon tax.
- (4) If any carbon tax receipt is lost or destroyed or any essential particulars thereon have been defaced or if the receipt is dilapidated, the issuing authority, on application by the holder thereof and on payment of the fee, if any, prescribed, shall issue a duplicate carbon tax receipt.

Offence of failing to produce carbon tax receipt and compromise thereof

5

- (1) Subject to subparagraph (2), any person in charge of a motor vehicle liable for carbon tax which does not produce a carbon tax receipt when required to do so under paragraph 4, shall, whether or not he or she is the liable person, be guilty of an offence and liable to a fine equal to the amount of the carbon tax payable for the vehicle or, in default of payment, to imprisonment for a period not exceeding six months:

Provided that if the failure to produce the carbon tax receipt was due to its loss or destruction and not to non-payment of carbon tax, a police officer or officer of the Authority may require the person in charge of the motor vehicle concerned or, if he or she is not the owner of the vehicle, the owner thereof, to produce a duplicate receipt **within 7 days** at such place as the police officer shall specify.

- (2) A person referred to in subparagraph (1) may sign and deliver to the police officer referred to in that subparagraph a document admitting that he or she is guilty of the said offence and deposit with such officer a fine equal to the amount of the carbon tax payable for the vehicle, and such person shall thereupon, subject to subparagraph (3), not be required to appear in court to answer the charge of having committed the said offence.
- (3) [Section 356 of the Criminal Procedure and Evidence Act \[Chapter 9:07\]](#) shall apply to the procedure to be followed in relation to an admission of guilt made under subparagraph (2).
- (4) The Zimbabwe Republic Police shall furnish to the Commissioner particulars of every person who has compounded or been convicted of an offence in terms of this paragraph.

TWENTY-NINTH SCHEDULE

[\(Section 36F\)](#)

BANKING INSTITUTION LEVY

Inserted by Act 27 of 2001, from the 1 January 2001.
Repealed by the Finance (No.3) Act 10/2009 w.e.f. the 1st January, 2010.

THIRTIETH SCHEDULE

Inserted by Act 15/2002 with effect from 1st January, 2003
-amended by the deletion of “ZIGs” by the Presidential Powers [SI 60/2024](#) gazetted on the 5th April, 2024 – not found by the Editor.

INTERMEDIATED MONEY TRANSFER TAX

Editor’s Notes: The Minister of Finance purported to amend this Tax by newspaper on the 5th October, 2018,: and later published his increase by **SI 205/2018** gazetted on the **12 October 2018** :
– which Regulations were -
challenged on the 12th February, 2019 in the High Court;
“validated” the following week on the 20th February by Act 1/2019 backdated to the 13th October 2018;
“re-validated” another 6 months later Act 7 of 2019 promulgated on the 21st August backdated to the **1st August 2019**.

The High Court Judgment was handed down 4 weeks later by ZHOU J on the 18th September, 2019 *M.Mlilo v Minister of Finance* [19-HH-605](#) declaring these Regulations ergo the affected sections of this Schedule *ultra vires*

ZimLive.com reported legal sources saying **Justice Zhou** was in the running to become one of seven members of the International Tribunal for the Law of the Sea when his nomination was withdrawn without his knowledge. A source is quoted as having said:-

“Just a month after his bond note judgement, the government surreptitiously withdrew his candidature. He was never consulted.”

Is this an attack on judicial independence? - Editor.

Interpretation

1

(1) In this Schedule—

“auction floor”, “auction tobacco” have the meanings assigned to them in the *Twenty-Fourth Schedule*;

Definitions inserted by SI 80/2019 gazetted on the 29th March, 2019.

“auction floor”, “auction tobacco”, “buyer”, “contractor”, and “contract tobacco” referred to in paragraphs (q1) and (q2) of the definition of *“transaction on which the tax is payable”* have the meanings assigned to them in the *Twenty-Fourth Schedule*;

Redefinitions inserted by Finance (No.2) Act 7/2019 w.e.f. **21st August, 2019**.

“automated teller machine” has the meaning given to that term in paragraph 1 of the *Twenty-Fifth Schedule*;

“buyer” has the meaning assigned to it in the *Twenty-Fourth Schedule*;

Definition inserted by SI 80/2019 gazetted on the 29th March, 2019.

“buyer”, “contracted grower”, “cotton”, “cotton seed” and “grower” referred to in paragraphs (q2) and (q3) of the definition of *“transaction on which the tax*

is payable” have the meanings assigned to them in the Agricultural Marketing Authority (Seed Cotton and Seed Cotton Products) Regulations, 2009; [SI 142/2009](#);

Redefinitions inserted by Finance (No.2) Act 7/2019 w.e.f. **21st August, 2019**.

“chargeable foreign currency payment” does not include a payment outside Zimbabwe for the purchase of fuel and electricity;

Definition inserted by Finance Act 13/23 gazetted 29th December, 2023.

“company” means a company or private business corporation registered or incorporated under the enactment providing for the registration or incorporation of such entities;

Definition inserted by Finance Act 1/2019 gazetted 20th February 2019 w.e.f. the **13th OCTOBER 2018** or the ***22nd NOVEMBER 2018**. It is not understood why the *2nd effective date should be so.- Editor.

“contractor” and **“contract tobacco”** have the meanings assigned to them in the *Twenty-Fourth Schedule*;

Definitions inserted by SI 80/2019 gazetted on the 29th March, 2019.

“financial institution” means—

- (a) any banking institution registered or required to be registered in terms of the [Banking Act \[Chapter 24:20\]](#); or
- (b) any building society registered or required to be registered in terms of the [Building Societies Act \[Chapter 24:02\]](#); or
- (c) the [Reserve Bank of Zimbabwe \[Chapter 22:15\]](#); or
- (d) the People’s Own Savings Bank of Zimbabwe established in terms of the [People’s Own Savings Bank of Zimbabwe Act \[Chapter 24:22\]](#); or
- (e) the Infrastructure Development Bank of Zimbabwe established in terms of the [Infrastructure Development Bank of Zimbabwe Act \[Chapter 24:14\]](#)

Amended by Act 11 of 2005 from 24th March , 2006.];

or

- (f) the successor company to the Agricultural Finance Corporation formed under the [Agricultural Finance Act \[Chapter 18:02\]](#);

Now called the Agricultural **Banking** Corporation Zimbabwe Limited - Editor.

or

- (g) the postal company licensed in terms of [section 113 of the Postal and Telecommunications Act \[Chapter 12:05\]](#) to provide the postal

services previously carried on by the Posts and Telecommunications Corporation established by the repealed [Posts and Telecommunications Corporation Act \[Chapter 12:02\]](#), or any person licensed in terms of the [Postal and Telecommunications Act \[Chapter 12:05\]](#) to provide postal services;

(h) any provider of a mobile banking service;

Para (h) inserted by Act No.1/2014 w.e.f. 1st January, 2014, and amended by Finance (No.2) Act 8 of 2014 w.e.f. 1st January, 2014.

(i) the operator of a mobile money transfer platform (whether or not he or she or it is permitted or licensed to operate such a platform by a financial institution or cellular telecommunication or telecommunication service operator licensed or required to be licensed under the [Postal and Telecommunications Act \[Chapter 12:05\]](#)), who carries on the business of facilitating the receipt of cash by any person (“**the customer**”) by hosting on such platform the customer and the financial institution or cellular telecommunication or telecommunication service operator or any combination of them;

Para (i) inserted by Finance (No.2) Act 7/2019 w.e.f. **21st August, 2019.**

(j) a money transfer service registered or required to be registered as such or as an “*authorised dealer with limited authority*” under the [Exchange Control Act \[Chapter 22:05\]](#), to the extent that, in addition to its core business of transferring inbound foreign currency remittances to recipients in Zimbabwe, or transferring outbound foreign currency for the payment of goods and services to be consumed within Zimbabwe (both of which are not transactions on which the tax is payable), it acts as an intermediary for the transfer of funds within or outside Zimbabwe;

Para (j) inserted by section 16 of Finance Act 8/2022 gazetted on the 24th October, 2022.

“**marketable security**” has the meaning given to it by [section 2 of the Capital Gains Tax Act \[Chapter 23:01\]](#);

Definition inserted by Finance Act 1/2019 gazetted 20th February 2019 w.e.f. either of the *dates referred to above- Editor

“**mobile banking service**” means a service that allows customers of a financial institution or cellular telecommunication or telecommunication service operator licensed or required to be licensed under the [Postal and Telecommunications Act \[Chapter 12:05\]](#) or other intermediary to conduct any number of financial transactions involving the transfer of money through a mobile device such as a mobile telephone or personal digital assistant, and for which the financial institution, operator or intermediary involved receives a fee, commission, premium, interest or other reward;

“money” —

- (a) coins of current mass or bank notes which the Reserve Bank of Zimbabwe has issued in Zimbabwe in accordance with Part VI of the [Reserve Bank of Zimbabwe Act \[Chapter 22:15\]](#) and which have not been demonetized.
- (b) any—
 - (i) coin, other than a coin made wholly or mainly from a precious metal, or bank note which is the currency of any country, other than Zimbabwe, and which is used or circulated or is intended for use or circulation as currency;
 - (ii) bill of exchange, promissory note, bank draft, postal order or money order;
except when disposed of or imported as a collector’s piece, investment article or item of numismatic interest;

“money market instrument” means any—

- (a) Treasury Bill, Treasury Bond, Reserve Bank of Zimbabwe Bill or Reserve Bank of Zimbabwe Bond;
- (b) corporate bill or bond, that is, any bill or bond issued in the name of a company;
- ® negotiable certificate of deposit or fixed deposit instrument;

Definition inserted by Finance Act 1/2019 gazetted 20th February 2019 w.e.f. either of the *dates referred to above- Editor

“nostro foreign currency account” means any account designated in terms of Exchange Control Directive **RT/120 of 2018**, held with a financial institution in Zimbabwe, in which money in the form of foreign currency is deposited from offshore or domestic sources;

Definition inserted by Finance Act 1/2019 gazetted 20th February 2019 w.e.f. either of the *dates referred to above-

See the new definitions in **SI 32/2019** and [SI 33/2019](#) emergency Regulations gazetted by the President on the 22nd February 2019 – now incorporated in their respective Acts.- Editor.

“outbound foreign payment” means a chargeable foreign currency payment using foreign currency obtained—

- (a) from the Dutch Auction Foreign Currency Market operated by the Reserve Bank on a weekly basis; or
- (b) from the interbank market operated by financial institutions;
to another person outside Zimbabwe;

Definition inserted by Finance Act 13/23 gazetted 29th December, 2023.

“pension fund” means—

- (a) the National Social Security Authority established by the [National Social Security Authority Act \[Chapter 17:04\]](#);
- (b) any pension fund registered as such in terms of the [Pension and Provident Funds Act \[Chapter 24:32\]](#);

Definition inserted by Finance Act 1/2019 gazetted 20th February 2019 — [Chapter 24:09](#) substituted on the 2nd September, 2022-Editor

“remuneration” has the meaning given to it by paragraph 1(1) of the Thirteenth Schedule of the Act (whether or not such remuneration is subject to employees’ tax);

Definition inserted by Finance Act 1/2019 gazetted 20th February 2019 w.e.f. either of the *dates referred to above- Editor

“specified trust account” means any trust account required to be opened and operated in terms of the [Insurance Act \[Chapter 24:07\]](#), [The Legal Practitioners Act \[Chapter 27:07\]](#), the [Estate Agents Act \[Chapter 27:17\]](#) or the [Estate Administrators and Insolvency Practitioners Act \[Chapter 27:20\]](#);

“transaction on which the tax is payable” does **not include** any of the following transactions —

Definition inserted by Finance Act 1/2019 gazetted 20th February 2019 w.e.f. either of the *dates referred to above- Editor

- (a) the transfer of money for the purchase or sale of **marketable securities**;
- (b) the transfer of money for the purchase or redemption of **money market** instrument;
- (bb) transfers from Designated Special Purpose Accounts created for the delivery of projects by **Implementing Partners of organisations** covered under the [Privileges and Immunities Act \[Chapter 3:03\]](#);

Paragraph (bb) inserted by Finance Act 10 of 2022 gazetted on 30th December, 2022 backdated to the **21st March, 2021**.

- (c) the transfer of money on payment of **remuneration**;
- (cc) the transfers of money to growers of wheat, maize and small grains for the purchase of wheat, maize and small grains by the Grain Marketing Board or persons who have been approved as commercial buyers by the Agricultural Marketing Authority and prescribed as such for the purpose of this exemption;

Paragraph (cc) inserted temporarily by Finance Act 10 of 2022 gazetted on 30th December, 2022 during the period between **1st September, 2022 to 31st March, 2023**; then substituted by section 17 of the Finance Act 13/2023 w.e.f. 29th December, 2023.

- (d) the transfer of money to or from the Zimbabwe Revenue Authority for the payment or refund of any **tax**, duty or other charges;
- (dd) the transfers to any person listed in Schedule 1 to the Global Compensation Deed who receives any amount paid by way of compensation for the expropriation of agricultural land;

Paragraph (dd) inserted by section 17 of the Finance Act 13/2023 w.e.f. 29th December, 2023.

- (e) the **intra-corporate** transfer of money, that is to say, transfer of money between the treasury account and any trading account held in the name of the same company;
- (f) the transfer of money from (but not into) **specified trust** accounts;
- (g) [The transfer of money into and from ***nostro** foreign currency accounts.];

Subpara **(g) repealed** by section 15 of Act 8/2020 gazetted on the 28th October, 2020 w.e.f. 1st August, 2020.

- (h) the transfer of money by Government from the Consolidated Revenue Fund or from funds established in terms of [section 18 of the Public Finance Management Act \[Chapter 22:19\]](#);
- (i) the transfer of money to any **pension fund** or to beneficiaries of such a fund;
- (j) the transfer of money for the procurement, production or sale (wholesale or retail) of a petroleum product by a **petroleum company** licensed in terms of Part VI of the [Petroleum Act \[Chapter 13:22\]](#);
- (k) the transfer of money between an individual's **mobile wallet** account and his or her bank account;
- (l) the transfer of money from a **medical aid society** registered in terms of the Medical Services Act to a medical service provider in settlement of a claim for services rendered by that provider;
- (m) the transfer of money in the form of **insurance premiums**—
 - (i) by insurance **brokers** to insurance companies; and
 - (ii) by insurance companies to reinsurers, retrocessionaires and asset managers registered in terms of the [Asset Management Act \[Chapter 24:26\]](#);

- (n) the transfer of money to producers, sellers or exporters of **minerals** by the Minerals Marketing Corporation of Zimbabwe pursuant to the [Minerals Marketing Corporation Act \[Chapter 21:04\]](#);
- (o) the transfer of money to producers or sellers of gold **Fidelity Printers and Refiners (Private) Limited**;
- (p) the transfer of money to a successor company of the Zimbabwe Electricity Supply Authority (referred to in [section 75 of the Electricity Act \[Chapter 13:19\]](#)) from a trust fund credited with prepayments for electricity made by a mobile banking service provider;
- (q) the transfer of money by **travel agents** to airlines on the purchase and administration of air tickets;
- (q1) the transfer of funds for the purchase of auction or contract **tobacco** from buyers or contractors to auction floors;

redefinition inserted by Finance (No.2) Act 7/2019 ^{w.e.f.} 21st August, 2019, This Effective date is backdated by sect 16 of Finance (No.3) Act 13/2019 gazetted on the 31st December, 2019, to the **29th March, 2019.**

- (q2) the transfer of funds by contractors and auction floors to growers of **tobacco** for deliveries of tobacco;

redefinition inserted by Finance (No.2) Act 7/2019 ^{w.e.f.} 21st August, 2019, This Effective date is backdated by sect 16 of Finance (No.3) Act 13/2019 gazetted ^{on} the 31st December, 2019, ^{to} the **29th March, 2019.**

- (q3) the transfer of funds to buyers to enable them to purchase **cotton** or cotton seed from growers or contracted growers;

redefinition inserted by Finance (No.2) Act 7/2019 ^{w.e.f.} 21st August, 2019, This Effective date is backdated by sect 16 of Finance (No.3) Act 13/2019 gazetted ^{on} the 31st December, 2019, ^{to} the **29th March, 2019.**

- (q4) the transfer of funds by buyers to purchase of **cotton** or cotton seed from growers or contracted growers;

redefinition inserted by Finance (No.2) Act 7/2019 ^{w.e.f.} 21st August, 2019, This Effective date is backdated by sect 16 of Finance (No.3) Act 13/2019 gazetted ^{on} the 31st December, 2019, ^{to} the **29th March, 2019.**

- (q5) social transfers by any organisation or body designated as a “development partner” in virtue of a notice in the Gazette published pursuant to Part IV of the [Privileges and Immunities Act \[Chapter 3:03\]](#)

(in this paragraph, a-

“social transfer” means social assistance in the form of money paid to those living in poverty or in danger of falling into poverty);

new definition inserted by Finance (No.3) Act 13/2019 w.e.f. 31st December, 2019.

(q6) the transfer of money from the African Export-Import Bank (“Afreximbank”) established by the Bank Agreement;

(in this paragraph the-

“Bank Agreement” means the Agreement for the Establishment of the African Export-Import Bank (“Afreximbank”) signed in Abidjan, Ivory Coast, by African States and certain International Organisations on the 8th of May, 1993);

new definition inserted by Finance (No.3) Act 13/2019 gazetted on the 31st December, 2019 back dated to take effect from the w.e.f. 13th October, 2018.

(q7) 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 **100 million United States dollar bond** underwritten by Afreximbank to finance road building, irrigation works and health infrastructure;

Paras (q7) and (q8) inserted Finance Act 7/2021 w.e.f. 31 December, 2021.

(q8) the transfer of funds from the Agricultural Development Fund (being a fund set up to assist the Government of Zimbabwe in raising funds to compensate former farmers who qualify for compensation under the Global Compensation Deed);

“auction floor”, “auction tobacco”, “buyer”, “contractor”, and “contract tobacco” referred to in paragraphs (q1) and (q2) of the definition of *“transaction on which the tax is payable”* have the meanings assigned to them in the *Twenty-Fourth Schedule*;

additional definitions inserted by Finance (No.2) Act 7/2019 w.e.f. 21st August 2019.

(r)

Para (r) definition substituted by Finance (No.2) Act 7/2019; - substituted by section 15 of Act 13/2019 gazetted on 31st December, 2019 w.e.f. 1st January, 2020 increasing the value ceiling to zw100 or below; then it was substituted by section 15 of Act 8/2020 gazetted on 28th October, 2020 backdated to 1st August, 2020;

then it was repealed by SI 261A/2020 gazetted on the 3rd November, 2020 which repeated it as para (y) and added it back into the following paras (t) to (y) *in lieu*, still with effect from the 1st August, 2020; **-repealed** again by section 16 of Finance Act 8/2022 gazetted on the 24th October, 2022.

(t) the transfer of foreign currency awarded to any bidder on the Foreign Currency Auction System operated by the Reserve Bank of

Zimbabwe to the foreign currency account of any authorised dealer;

Paras (t), (u), (v), (w), (x) and (y) substituted by the above SI 261A/2020 gazetted on 3rd November, 2020-
until re-enacted with corrections by the Finance (No.2) Act 10/2020 w.e.f. the 1st January, 2021.

- (u) the transfer of Zimbabwe dollars by an authorised dealer to the Reserve Bank of Zimbabwe in settlement of foreign currency awarded to any bidder on the Foreign Currency Auction System operated by the Reserve Bank of Zimbabwe;
- (v) the transfer of foreign currency by authorised dealers in settlement of international obligations for the importation of goods and services;
- (w) the transfer of foreign currency by traders to the Reserve Bank of Zimbabwe for sale on the Foreign Currency Auction System operated by the Reserve Bank of Zimbabwe;
- (x) the transfer of Zimbabwe dollars by the Reserve Bank of Zimbabwe to traders or authorised dealers as settlement of foreign currency sold on the Foreign Currency Auction System operated by the Reserve Bank of Zimbabwe;
- (y) the transfer of money from a *nostro* foreign currency account in the name of a person exempted in terms of the [Privileges and Immunities Act \[Chapter 3:03\]](#);
- (z) the transfer of the levy chargeable in terms of [section 53 of the Manpower Planning and Development Act \[Chapter 28:02\]](#);

Subpara (z) added by the Finance (No.2) Act 10/2020 w.e.f. the 1st January, 2021.

- (aa) the transfer of money involving a transaction other than one mentioned in the **foregoing** paragraphs, if the value of transaction is **US\$5 or below**;

Editors Note: this subpara (aa) is a repeat of subpara (r) replaced by SI 261A/20, published now as the replacement of the former subpara (y);
Substituted by Finance Act of 2021;
amended by Act 13/2023 w.e.f. 29th December, 2023.

- (bb) the transfers from Designated Special Purpose Accounts created for the delivery of projects by *Implementing Partners of organizations covered under the [Privileges and Immunities Act \[Chapter 3:03\]](#).

Subpara (bb) added by the Finance (Rate of Incidence of Intermediated Money Transfer Tax) Regulations, 2021. **SI 80 of 2021** w.e.f. the **19th March, 2021** *Implementing Partners are **not** mentioned within this Act -editor.

“transfer” means transfer physically, electronically or by any other means.

(2) Where a customer of a financial institution effects a transfer of money to another person by means of an automated teller machine belonging to or leased by or under the control of the financial institution, the financial institution shall be deemed to have mediated the transfer of that money.

(2a) The collection of intermediated money transfer tax in terms of *Statutory Instrument 205 of 2018* is hereby validated to the date of commencement of this Act.

(3) For the avoidance of doubt it is declared that the transfer of money **from** a *nostro* foreign currency account **is** a transaction on which **tax is payable** in terms of this *Schedule*.

Para (3) was inserted by section 15 of **Act 8/2020** gazetted on the 28th October, 2020- compare those under subpara (y) above.

Liability for intermediated money transfer tax

2

(1) Whenever a financial institution mediates the transfer of money otherwise than by cheque—

- (a) between 2 persons; or
- (b) from 1 person to 2 or more persons; or
- (c) from 2 or more persons to 1 person;

the financial institution concerned shall pay to the Commissioner an intermediated money transfer tax on each such transaction.

(2) Where a financial institution mediates the transfer of money to another financial institution on behalf of any of the persons for whom it acts as intermediary, the other financial institution shall not be liable for intermediated money transfer tax.

(2a) Whenever a financial institution mediates **outbound foreign payments** in accordance with these regulations at the **rate of 1%** of the amount of the outbound foreign currency payment, the financial institution shall withhold and remit to the Commissioner an intermediated money transfer tax on each such transaction.

Subpara (2a) inserted by section 17 of the Finance Act 13/2023 w.e.f. 29th December, 2023.

Period within which intermediated money transfer tax to be paid

3

Intermediated money transfer tax shall be paid in terms of paragraph 2 **not later than the 10th day** of the month following the month in which the transaction respect of which the tax is payable was effected

Payment period shortened from 15 days to the above by the Finance (No.3) Act 10/2009 with effect from the 8th January, 2010.

Provided that the Commissioner may for good cause allow the tax to be paid within any further time.

Returns to be furnished to Commissioner

4

Payment of the intermediated money transfer tax in terms of paragraph 2 shall be accompanied by a return in the form prescribed.

Recovery of intermediated money transfer tax from customer

5

Notwithstanding any other law, a financial institution that has paid intermediated money transfer tax may recover the tax from either of the persons on whose account the transaction was effected, or from both or any of them in such proportions as it may determine, either by debiting the person's account operated with it or in any other manner in all respects as if the amount of the tax were a fee, or charge levied by the financial institution in the ordinary course of its business.

Penalty for non-payment of intermediated money transfer tax

6

(1) Subject to subparagraph (2), a financial institution that fails to pay to the Commissioner any intermediated money transfer tax as provided in paragraph 2 shall be liable to pay, in addition to the tax, a further amount equal to **15%** of the unpaid tax.

(2) If the Commissioner is satisfied in any particular case that a failure to pay any intermediated money transfer tax was not due to an intent to evade the provisions of this Schedule, he may waive the payment of the whole or such part as he thinks fit of the additional amount referred to in subparagraph (1).

(3) If a defaulting financial institution referred to in subparagraph (1) does not pay the penalty in full on the date on which the default has ceased, interest, calculated at a rate to be fixed by the Minister by *statutory instrument*, shall be payable on so much of the penalty as remains unpaid by the financial institution during the period beginning on the date the default has ceased and ending on the date the penalty is paid in full, and such interest shall be recoverable by the Commissioner by action in any court of competent jurisdiction:

See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#)
gazetted on the 19th December, 2022 backdated to the 1st DECEMBER, 2022

Provided that in special circumstances the Commissioner may extend the time for payment of the penalty without charging interest.

Subpara (3) inserted by Act 8 of 2005 from 1st January, 2006.

Refund of intermediated money transfer tax

7

If it is proved to the satisfaction of the Commissioner that any person has paid any amount by way of intermediated money transfer tax in excess of the amount properly payable in terms of this Schedule, the Commissioner shall authorise a refund of the amount overpaid.

Provided that the Commissioner shall not authorise a refund in terms of this paragraph unless the claim therefore is made **within 3 years** of the date of the overpayment.

Adaptation of this Schedule to intermediated transfers of ZIGs

Paragraph inserted by section 17 of the Finance Act 13/2023 w.e.f. 29th December, 2023.

8

(1) The Minister may by regulations made under [section ninety](#) adapt the provisions of this *Schedule* to the intermediated transfer of Zimbabwe gold-backed digital tokens (ZiGs).

(2) If any provision contained in regulations referred to in [subsection \(2\)](#) that amend this *Schedule* is not confirmed by a Bill which—

(a) passes its second reading stage in Parliament on one of the 28 days on which Parliament sits next after the coming into operation of the regulations; and

(b) becomes law not later than 6 months after the date of such second reading;

that provision shall become void as from the date specified in the regulations as that on which the provision is amended.

THIRTY-FIRST SCHEDULE

[\(Section 36H\)](#)

Inserted by Act 10/2003 with effect from the year of assessment beginning on the 1st December, 2003.- an error in clause 21 thereof – Editor.
Amended by Act 8/2011 w.e.f. the 1st September, 2011

NOCZIM DEBT REDEMPTION & STRATEGIC RESERVE LEVY

Interpretation

1

(1) In this Schedule

“NOCZIM” means the National Oil Company of Zimbabwe (Private) Limited;

“NOCZIM Debt Redemption Sinking Fund” means the sinking fund established in terms of the [Public Finance Management Act \[Chapter 22:19\]](#) for the purposes referred to in subparagraph (1) of paragraph 3, and administered by the Minister responsible for energy;

“oil company” means

- (a) BP and Shell Marketing (Private) Limited; or
- (b) Caltex Oil Zimbabwe (Private) Limited; or
- (c) Mobil Oil Zimbabwe (Private) Limited; or
- (d) Total Zimbabwe (Private) Limited; or
- (e) Country Petroleum Services; or

- (f) Engen Petroleum Services; or
- (g) Jovenna Energy Services; or
- (h) Royal Oil Services group; or
- (i) Kadoma Haulage; or
- (j) Atrax Commodities (Private) Limited; or
- (k) Exor Enterprises (Private) Limited; or
- (l) Migdale Investments (Private) Limited; or
- (m) FSI Trading; or
- (n) Wedzera Investments; or
- (o) any other person permitted by the Minister responsible for energy to import petroleum products;

“petroleum product” means

- (a) leaded or unleaded petrol; or
 - (b) the fuel designed for use in a compression-ignition engine, commonly known as diesel fuel; or
 - (c) any refined petroleum capable of being used as a motor-spirit;
- but does not include aviation fuel, illuminating paraffin or power paraffin;

“Reserve Bank” means the Reserve Bank of Zimbabwe.

Liability for Noczim debt redemption and strategic reserve levy

2

(1) With effect from the year of assessment beginning on the 1st December, 2003, every oil company and other person or entity (**other than the State**) that

Para 2(1) amended by the Finance Act 2 of 2017 gazetted on 23rd March, 2017 backdated to the **1st January, 2017.**

- (a) purchases any petroleum product from NOCZIM, shall deduct from the purchase price it pays to NOCZIM the required NOCZIM debt redemption levy and strategic reserve levy and without delay pay the amount so deducted to the Zimbabwe Revenue Authority:

Provided that the Minister may, by notice in the *Gazette*, exempt any power generation project (as defined in [section 14\(1\) of the Finance Act \[Chapter 23:04\]](#)) from liability for NOCZIM debt redemption levy and strategic reserve levy for a temporary or indefinite period, and may backdate such exemption.

proviso inserted by the Finance Act 1 of 2018 w.e.f. 14th March, 2018.

or

- (b) imports any petroleum product, shall pay the required NOCZIM debt redemption levy any strategic reserve levy to the Zimbabwe Revenue Authority at the port of entry of the petroleum product.

A comma is inserted after “*product*” for ease of reference. The commencement date was stated as 1st January, 2004 in the Departmental Draft of the Bill to this Act – Editor.
Amended by Act 8/2011 w.e.f. the 1st September, 2011

- (2) If required to do so by the Zimbabwe Revenue Authority an oil company or other person or entity referred to in [subsection \(1\)](#) shall supply the Zimbabwe Revenue Authority with such accounts, reports, documents and information as may reasonably be required to ascertain whether or not the oil company, person or entity concerned is complying with [subsection \(1\)](#).

Application of moneys received in terms of this Schedule

3

- (1) The Minister responsible for energy, in consultation with the Minister responsible for finance shall ensure that all moneys received from the Zimbabwe Revenue Authority in terms of this Schedule are deposited in the NOCZIM Debt Redemption Sinking Fund and applied towards the settlement of debts incurred by NOCZIM in the procurement of petroleum products, whether such debts are incurred before or after the 1st January, 2004, and, in so doing, the Minister, in consultation with the Minister responsible for finance, may direct the order and manner in which NOCZIM is to settle its debts.

- (2) NOCZIM shall take all necessary steps to comply with any direction referred to in [subsection \(1\)](#).

THIRTY-SECOND SCHEDULE

[\(Section 36I\)](#)

Inserted by Act 29 of 2004 from 1st January, 2005.

PROPERTY OR INSURANCE COMMISSION TAX

Interpretation

1

- (1) In this Schedule

“**commission**” means an amount paid or payable by an insurer or estate agent to a freelance agent in respect of any act done by that agent on its behalf as an insurance agent, insurance broker or property negotiator;

“**estate agent**” means a person who is a registered estate agent in terms of the [Estate Agents Act \[Chapter 27:17\]](#);

“**freelance agent**” means

- (a) an insurance agent who is not registered as an employee by an insurer in terms of the *Thirteenth Schedule*; or

- (b) an insurance broker who is not registered as an employee by an insurer in terms of the *Thirteenth Schedule*, to the extent that any commission earned by the broker is payable by the insurer; or
- (c) a property negotiator who is not registered as an employee by an estate agent in terms of the *Thirteenth Schedule* and to whom a commission is paid by an estate agent, whether on its own account or on behalf of any party to the sale or lease of immovable property;

“Insurance agent” means a person who, on behalf of a registered insurer or registered insurers—

- (a) initiates insurance business; or
- (b) does any act in relation to the receiving of proposals for insurance, the issue of policies or the collection of premiums;

“Insurance broker” means a person who, on behalf of any other person, negotiates insurance business with insurers, and includes a person who negotiates reinsurance business on behalf of any other person;

“insurer” means a person registered as an insurer in terms of the [Insurance Act \[Chapter 24:07\]](#);

“principal” means an estate agent or an insurer;

“property negotiator” means a person by whatever title designated who, on behalf of an estate agent or estate agents—

- (a) introduces parties to the sale or lease of immovable property to each other or to the estate agent; or
- (b) negotiates or concludes the sale or lease of immovable property.

Principals to withhold tax

2

(1) Every principal who pays a commission to a freelance agent shall withhold property or insurance commission tax from that commission and shall pay the amount withheld to the Commissioner-General **on or before the 10th day** of the month following the month in which the payment was made or within such further time as the Commissioner-General may for good cause allow.

Payment period shortened from the last day to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8th January, 2010.

(2) Where property or insurance commission tax is withheld in terms of subparagraph (1), the payer shall provide the payee with a certificate, in a form approved by the Commissioner-General, showing—

- (a) the amount of the commission; and
- (b) the amount of the property or insurance commission tax withheld.

Payee to pay tax not withheld by principal

3

A freelance agent to whom a commission is paid from which property or insurance commission tax has not been withheld in terms of paragraph 2 or recovered in terms of [section seventy-seven](#) shall pay to the Commissioner-General, **on or before the 10th day** of the month following the month in which the payment was made, the tax that should have been withheld.

Payment period shortened from the last day to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8th January, 2010.

Returns to be furnished

4

Payment of property or insurance commission tax by a principal shall be accompanied by a return in the form prescribed.

Penalty for non-payment of tax

5

(1) Subject to subparagraph (2), a principal who fails to withhold or pay to the Commissioner-General any amount of property or insurance commission tax as provided in paragraph 2 shall be personally liable for the payment to the Commissioner-General, not later than the date on which payment should have been made in terms of paragraph 2 of—

- (a) the amount of property or insurance commission tax which the principal failed to pay to the Commissioner-General; and
- (b) a further amount equal to such property or insurance commission tax.

(2) The amounts for the payment of which a principal is liable in terms of [subsection \(1\)](#)—

- (a) shall be debts due by the principal to the State; and
- (b) may be sued for and recovered by action by the Commissioner-General in any court of competent jurisdiction.

(3) The Commissioner-General, if he or she is satisfied in any particular case that the failure to pay to him or her property or insurance commission tax was not due to any intent to evade the provisions of this *Schedule*, may waive the payment of the whole or such part as he or she thinks fit of the amount referred to in subparagraph (b) of subparagraph (1).

(4) If a defaulting principal referred to in subparagraph (1) does not pay the penalty referred to in subparagraph (1)(b) in full on the date on which the default has ceased, interest, calculated at a rate to be fixed by the Minister by *statutory instrument*, shall be payable on so much of the penalty as remains unpaid by the principal during the period beginning on the date the default has ceased and ending on the date the penalty is paid in full, and such interest shall be recoverable by the Commissioner by action in any court of competent jurisdiction:

See the Income Tax (**Rate of Interest**) Notice 2022 [SI 212 of 2022](#)
gazetted on the 19th December, 2022 backdated to the 1st DECEMBER, 2022

Provided that in special circumstances the Commissioner may extend the time for payment of the penalty without charging interest.

Inserted by Act 8 of 2005 with effect from 1st January, 2006.

Refund of overpayments

6

If it is proved to the satisfaction of the Commissioner-General that any person has been charged with property or insurance commission tax in excess of the amount properly chargeable to him or her in terms of this *Schedule*, the Commissioner-General shall authorise a refund in so far as it has been overpaid:

Provided that the Commissioner-General shall not authorise any refund in terms of this paragraph unless the claim therefor is made **within 6 years** of the date of payment of such tax.

THIRTY-THIRD SCHEDULE

Inserted by Act 12/2006 from 1st January, 2007.

([Sections 36J](#) and [97C](#))

TAX ON NON-EXECUTIVE DIRECTOR'S FEES

Interpretation

1

(1) In this Schedule, subject to subparagraph (2)—

“corporate body” means any body or association incorporated or registered under any law relating to asset managers, banks, building societies, unit trust schemes, companies, financial institutions, insurers or pension funds or under a special law;

“director”, in relation to a corporate body, means a person, by whatever name he or she may be called, who

(a) controls or governs that corporate body; or

(b) is a member of a body or group of persons which controls or governs that corporate body; or

and includes any person occupying the position of director or alternate director of a body corporate;

“non-executive director’s fees” means any remuneration of a director paid by the corporate body of which he or she is a director

- (a) that is excluded for the purposes of employees' tax by virtue of paragraph (b) of the definition of "remuneration" in paragraph 1(1) of the *Thirteenth Schedule*; or
- (b) from which employees' tax is not withheld in terms of the *Thirteenth Schedule* for any reason;

"**tax**" means tax on non-executive director's fees.

Payers to withhold tax

2

(1) Every payer of non-executive director's fees to a director shall withhold tax from those fees and shall pay the amount withheld to the Commissioner **within 10 days** of the date of payment or within such further time as the Commissioner may for good cause allow.

Payment period shortened from 15 days to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8th January, 2010.

(2) Where tax is withheld in terms of subparagraph (1), the payer shall provide the payee with a certificate, in a form approved by the Commissioner, showing—

- (a) the amount of the non-executive director's fees; and
- (b) the amount of tax withheld.

Agents to withhold tax not deducted by payer

3

(1) Every agent who receives on behalf of a payee non-executive director's fees from which tax has not been withheld by the payer, shall withhold tax from those fees and shall pay the amount withheld to the Commissioner **within 10 days** of the date of the receipt of the fees.

Payment period shortened from 15 days to the above by the Finance (No.3) Act 10/2009 w.e.f. the 8th January, 2010.

(2) Where tax is withheld in terms of subparagraph (1), the agent shall provide the payee with a certificate in a form approved by the Commissioner, showing—

- (a) the name of the payer; and
- (b) the amount of the non-executive director's fees; and
- (c) the amount of tax withheld.

(3) For the purposes of this paragraph, a person shall be deemed to be the agent of a payee and to have received non-executive director's fees on behalf of that payee if—

- (a) that person's address appears in the payer's records as the address of the payee; and
- (b) the warrant or cheque in payment of the fees is delivered at that person's address.

Payee to pay tax not withheld by payer or agent

4

A payee to whom non-executive director's fees have been paid from which tax has not been withheld in terms of paragraph 2 or 3 or recovered in terms of [section seventy-seven](#) shall pay to the Commissioner **within 15 days** of the date of payment of the fees the tax that should have been withheld.

Returns to be furnished

5

Payment of tax on fees by a payer or an agent shall be accompanied by a return in the form prescribed.

Penalty for non-payment of tax

6

(1) Subject to subparagraph (2), a payer or an agent in Zimbabwe who fails to withhold or pay to the Commissioner any amount of tax as provided in paragraph 2 or 3 shall be personally liable for the payment to the Commissioner, not later than the date on which payment should have been made in terms of paragraph 2 or 3, as the case may be, of—

- (a) the amount of the tax which the payer or the agent, as the case may be, failed to pay to the Commissioner; and
- (b) a further amount equal to such tax.

(2) The Commissioner, if he or she is satisfied in any particular case that the failure to pay to him or her tax was not due to any intent to evade the provisions of this *Schedule*, may waive the payment of the whole or such part as he or she thinks fit or repay the whole or such part as he or she thinks fit of the amount referred to in subparagraph (1)(b).

Refund of tax

7

If it is proved to the satisfaction of the Commissioner that any person has been charged with tax fees in excess of the amount properly chargeable in terms of this Schedule, the Commissioner shall authorise a refund in so far as it has been overpaid:

Provided that the Commissioner shall not authorise any refund in terms of this paragraph unless the claim therefor is made **within 3 years** of the date of payment of such tax.

THIRTY-FOURTH SCHEDULE

[\(Section 36K\)](#)

Inserted by Act *5 of 2010 w.e.f. the year of assessment beginning on the 1st January, 2011.

PETROLEUM IMPORTERS LEVY

Interpretation

1

(1) In this Schedule—

“**petroleum importer**” means a company or other person holding a procurement licence to import petroleum products in bulk into Zimbabwe;

(2) Any term to which a meaning has been assigned in the [Petroleum Act \[Chapter 13:22\]](#) shall bear the same meaning when used in this *Schedule*.

Liability for petroleum importers levy

2

(1) Every petroleum importer who transports petroleum products by road shall, at any designated port of entry into Zimbabwe, pay to the Zimbabwe Revenue Authority a petroleum importers levy at the rate fixed by the Charging Act.

Subpara (1) substituted by Act 8/2011 with effect from the **1st September, 2011** from which date the distinction of route taken is removed- Editor

(2) If required to do so by the Zimbabwe Revenue Authority a petroleum importer referred to in subparagraph (1) shall supply the Zimbabwe Revenue Authority with such accounts, reports, documents and information as may reasonably be required to ascertain whether or not the petroleum importer concerned is complying with subparagraph (1).

Penalty for failure to pay petroleum importers levy timeously

3

(1) In any petroleum importer referred to in paragraph 2 fails timeously to pay any amount of petroleum importers levy due, the Zimbabwe Revenue Authority may by notice in writing to the petroleum importer concerned levy a civil penalty of **US\$30** for **each day** during which the petroleum importer fails to pay the levy in full, which penalty shall not continue to be levied beyond the **181st day** calculated from the first day on which such levy is due:

Provided that the Authority shall have power to waive the payment or refund the whole or part of any penalty prescribed under this paragraph if it is satisfied that the contravention was not wilful, or not due to the want of reasonable care.

(2) A civil penalty levied under subparagraph (1) shall constitute a debt due to the Zimbabwe Revenue Authority by the person against whom it is levied, and shall, at any time after it becomes due, be recoverable in a court of competent jurisdiction by proceedings in the name of the Authority.

THIRTY-FIFTH SCHEDULE

[\(Section 98B\)](#)

Inserted by Sect 6 of the Finance (No.2) Act 9 of 2015 with effect from the year of assessment beginning 1st January, 2016.

TRANSFER PRICING

Interpretation

1

(1) In this *Schedule*—

“**comparable transaction**” means a transaction that is comparable by reference to paragraph 3;

“**uncontrolled transaction**” means any transaction between independent persons;

Arm's length principle

2

The determination of whether the conditions of a controlled transaction are consistent with the arm's length principle for the purposes of [section ninety-eightB](#) shall be made by the Commissioner-General in accordance with this *Schedule*.

Comparability

3

(1) An uncontrolled transaction is comparable to a controlled transaction within the meaning of [section ninety-eightB\(1\)](#) —

- (a) when there are **no differences** between them that could materially affect the financial indicator being examined under the appropriate transfer pricing method; or
- (b) when such **differences exist**, if a reasonably accurate comparability adjustment is made to the relevant financial indicator of the uncontrolled transaction in order to eliminate the effects of such differences on the comparison.

(2) To determine whether 2 or more transactions are comparable, the following factors shall be considered to the extent that they are economically relevant to the facts and circumstances of the transactions —

- (a) the characteristics of the property or services transferred; and
- (b) the functions undertaken by each person with respect to the transactions, taking into account assets used and risks assumed; and
- (c) the contractual terms of the transactions; and
- (d) the economic circumstances in which the transactions take place; and
- (e) the business strategies pursued by each of the associated persons in relation to the transactions.

Transfer pricing

4

(1) The arm's length remuneration of a controlled transaction shall be determined by applying the most appropriate transfer pricing method to the circumstances of the case.

(2) The most appropriate transfer pricing method shall be selected from among the approved transfer pricing methods set out in paragraph 5(5), taking into consideration the following criteria—

- (a) the respective strengths and weaknesses of the approved methods; and
- (b) the appropriateness of an approved method in view of the nature of the controlled transaction, determined in particular through an analysis of the functions undertaken by each person in the controlled transaction, taking into account assets used and risks assumed; and
- (c) the availability of reliable information needed to apply the selected transfer pricing method or other methods; and
- (d) the degree of comparability between the controlled and uncontrolled transactions, including the reliability of comparability adjustments, if any, that may be required to eliminate differences between them.

(3) It shall not be necessary to apply more than one method to determine whether the conditions of a given controlled transaction are consistent with the arm's length principle.

(4) Where a taxpayer has used an approved transfer pricing method and the selection of that method is consistent with this regulation, the examination by the Commissioner of whether the conditions of the taxpayer's controlled transactions are consistent with the arm's length principle shall be based on that transfer pricing method applied by the taxpayer.

(5) The following shall be the approved transfer pricing methods for purposes of subparagraph (2)—

- (a) the **Comparable Uncontrolled Price Method**, which is the comparable uncontrolled price method consisting of comparing the price charged for property or services transferred in a controlled transaction to the price charged for property or services transferred in a comparable uncontrolled transaction; and
- (b) the **Resale Price Method**, which is the resale price method consisting of comparing the resale margin that a purchaser of property in a controlled transaction earns from reselling that property in an uncontrolled transaction with the resale margin that is earned in comparable uncontrolled purchase and resale transactions; and
- (c) the **Cost Plus Method**, which is the cost plus method consisting of comparing the mark up on those costs directly and indirectly incurred in the supply of property or services in a controlled transaction with the mark up on those costs directly and indirectly incurred in the supply of property or services in a comparable uncontrolled transaction; and
- (d) the **Transactional Net Margin Method**, which is the transactional net margin method consisting of comparing the net profit margin relative to an appropriate base, such as costs, sales or assets, that a person achieves in a controlled transaction with the net profit margin relative to the same base achieved in comparable uncontrolled transactions; and

- (e) the **Transactional Profit Split Method**, which is the transactional profit split method consisting of allocating to each associated person participating in a controlled transaction the portion of common profit (or loss) derived from such transaction that an independent person would expect to earn from engaging in a comparable uncontrolled transaction. When it is possible to determine an arm's length remuneration for some of the functions performed by the associated persons in connection with the transaction using one of the approved methods described in subparagraphs (a) to (d) above, the transactional profit split method shall be applied based on the common residual profit that results once such functions are so remunerated.
- (6) Where, taking account of the criteria described in subparagraph (3), a comparable uncontrolled price method described in subparagraph (5)(a) and an approved method described in subparagraph (5)(b) to (e) can be applied with equal reliability, the determination of arm's length conditions shall be made using **the comparable uncontrolled price method**.
- (7) Where, taking account of the criteria described in subparagraph (2), an approved method described in paragraph 5(5)(a) to (c) and an approved method described in subparagraph (5)(a) to (c) can be applied with equal reliability, the determination of arm's length conditions shall be made using the method described in subparagraph (5)(a) to (c).
- (8) It shall not be necessary to apply more than one method to determine the arm's length remuneration for a given controlled transaction.
- (9) A transfer pricing method other than the approved methods contained in subparagraph (5) may be applied where the Commissioner is satisfied that —
- (a) none of the approved methods can be reasonably applied to determine arm's length conditions for the controlled transaction; and
 - (b) such other method yields a result consistent with that which would be achieved by independent persons engaging in comparable uncontrolled transactions under comparable circumstances.
- (10) When a method other than the approved methods contained in subparagraph (5) is used it shall establish that the requirements of subparagraph (9) have been satisfied.
- (11) When applying a **cost plus, resale price or transactional net margin method**, provided under subparagraph (5), it shall be necessary to select the party(hereinafter referred to as the “**tested party**”) to the transaction for which a financial indicator, mark-up on costs, gross margin, or net profit indicator, is tested under the applicable transfer pricing method.
- (12) The selection of the tested party should be consistent with the functional analysis of the transaction.
- (13) Where a taxpayer has used a transfer pricing method to establish the remuneration of its controlled transactions and that transfer pricing method is consistent with the provisions of this paragraph, then the Commissioner’s examination of whether the conditions of the

taxpayer's controlled transactions are consistent with the arm's length principle shall be based on the transfer pricing method applied by the taxpayer.

Evaluation of taxpayer's combined controlled transactions

5

If a taxpayer carries out, under the same or similar circumstances, 2 or more controlled transactions that are economically closely linked to one another or that form a continuum such that they cannot reliably be analysed separately, those transactions may be combined to

- (i) perform the comparability analysis set out in paragraph 3 and
- (ii) apply the transfer pricing methods set out in paragraph 5.

Arm's length range

6

(1) An arm's length range is a range of relevant financial indicator figures (e.g. prices, margins or profit shares) produced by the application of the most appropriate transfer pricing method as set out in paragraph 4 to a number of uncontrolled transactions, each of which is relatively equally comparable to the controlled transaction based on a comparability analysis conducted in accordance with paragraph 3.

(2) A controlled transaction, or a set of transactions that are combined according to paragraph 5 shall not be subject to an adjustment under [section ninety-eightB](#) where the relevant financial indicator derived from the controlled transaction or set of transactions and being tested under the appropriate transfer pricing method is within the arm's length range.

(3) Where the relevant financial indicator derived from a controlled transaction, or from a set of transactions that are combined according to paragraph 5, falls outside the arm's length range, the Commissioner may adjust it pursuant to [section ninety-eightB \(1\)](#), and any such adjustment shall be to the median in the arm's length range.

(4) For the purposes of subparagraph (3), the median of the arm's length range shall be the **50th percentile** of the financial indicator figures derived from the comparable uncontrolled transactions forming the arm's length range. For this purpose, **the 50th percentile** is the lowest financial indicator figure such that **at least 50 %** of the financial indicator figure are at or below the value of that figure. However, if exactly 50 % of the results are at or below a financial indicator figure, then the 50th percentile is equal to the arithmetic mean of that figure and the next highest figure.

Sources of information on comparable uncontrolled transactions

7

(1) Possible sources of information on comparable uncontrolled transactions that may include —

- (a) **internal** uncontrolled transactions, which are uncontrolled transactions where one of the parties to the controlled transaction is also a party to the uncontrolled transaction; and
 - (b) **external** uncontrolled transactions, which are uncontrolled transactions to which **neither** of the parties to the controlled transaction is a party
- (2) Information concerning a comparable external uncontrolled transaction may not be relied upon by the Commissioner for the purposes of making an adjustment under [section ninety-eightB](#) if the information concerning the transaction is not available to the taxpayer.
- (3) Information concerning a comparable uncontrolled transaction may not be relied upon by the taxpayer for the purposes of demonstrating the consistency (*of) a transaction with [section ninety-eightB](#) if the information on the transaction is not available to the Commissioner.

*inserted by the Editor

- (4) In the absence of information on uncontrolled transactions from the same geographic market as the controlled transaction , comparable uncontrolled transactions from other geographic markets may be accepted by the Commissioner.
- (5) A determination of whether comparables from other geographic markets are reliable has to be made on a case-by-case basis, and by reference to the extent to which they satisfy paragraph 3 of this *Schedule*.
- (6) Taxpayers using such comparables would be expected to assess the expected impact of geographic differences and other factors on the price and profitability.

Services between associated enterprises

8

- (1) A service charge between a taxpayer and an associated person shall be considered consistent with the arm's length principle where—
- (a) it is charged for a service that is actually rendered; and
 - (b) the service provides, or when rendered was expected to provide, the recipient with economic or commercial value to enhance its commercial position; and
 - (c) it is charged for a service that an independent enterprise in comparable circumstances would have been willing to pay for if performed for it by an independent enterprise, or would have performed in-house for itself; and
 - (d) its amount corresponds to that which would have been agreed between independent enterprises for comparable services in comparable circumstances.
- (2) A service charge made to a person shall not be consistent with the arm's length principle where it is made by an associated person solely because of the shareholder's ownership interest in 1 or more other group members, including for any of the following- costs incurred or activities undertaken by such associated person —

- (a) costs or activities relating to the juridical structure of the parent company of the first-mentioned person, such as meetings of shareholders of the parent, issuing of shares in the parent company and costs of the parent company's supervisory board; and
- (b) costs or activities relating to reporting requirements of the parent company of the first-mentioned person, including the consolidation of reports; and
- (c) costs or activities related to raising funds for the acquisition of participations, unless those participations are directly or indirectly acquired by the first-mentioned person and the acquisition benefits or is expected to benefit that first-mentioned person.

(3) Where it is possible to identify specific services provided by a taxpayer to an associated person, the determination whether the service charge is consistent with the arm's length principle shall be made for each specific service, subject to the provisions of subparagraph (4).

(4) Where services are rendered by a taxpayer jointly to various associated persons and it is not possible to identify specific services provided to each of them, the total service charge shall be allocated among the associated persons that benefit or expect to benefit from the services according to reasonable allocation criteria.

(5) For the purpose of this paragraph, allocation criteria shall be viewed as reasonable where they are based on a variable or variables that —

- (a) take into account the nature of the services , the circumstances under which they are provided and the benefits obtained or that were expected to be obtained by the persons for which the services are intended; and
- (b) relate exclusively to uncontrolled, rather than controlled transactions; and
- (c) are capable of being measured in a reasonably reliable manner.

Transactions involving intangible property

9

(1) The determination of arm's length conditions for **controlled transactions** involving licenses, sales or other transfers of intangible property between associated persons shall take into account both the perspective of the transferor of the property and the perspective of the transferee, including in particular the pricing at which a comparable independent enterprise would be willing to transfer the property and the value and usefulness of the intangible property to the transferee in its business.

(2) In applying the provisions of paragraph 3 to a transaction involving the license, sale or other transfer of intangible property, consideration shall be given to any special factors relevant to the comparability of the controlled and uncontrolled transactions, including —

- (a) the expected benefits from the intangible property; and
- (b) any geographic limitations on the exercise of rights to the intangible property; and

- (c) the exclusive or non-exclusive character of the rights transferred; and
- (d) whether the transferee has the right to participate in further developments of the intangible property by the transferor.

Corresponding adjustments for domestic transactions

10

(1) The determination of arm's length conditions for **controlled transactions** involving licenses, sales or other transfers of intangible property between associated persons shall take into account both the perspective of the transferor of the property and the perspective of the transferee, including in particular the pricing at which a comparable independent enterprise would be willing to transfer the property and the value and usefulness of the intangible property to the transferee in its business.

(2) In applying the provisions of paragraph 3 to a transaction involving the license, sale or other transfer of intangible property, consideration shall be given to any special factors relevant to the comparability of the controlled and uncontrolled transactions, including —

- (a) the expected benefits from the intangible property; and
- (b) any geographic limitations on the exercise of rights to the intangible property; and
- (c) the exclusive or non-exclusive character of the rights transferred; and
- (d) whether the transferee has the right to participate in further developments of the intangible property by the transferor.

Corresponding adjustments for domestic transactions

11

Where an adjustment is made by the Commissioner under [section ninety-eightB](#) to the taxable income of a taxpayer in relation to domestic transaction, then, the Commissioner shall make an appropriate adjustment to the taxable income of the other party to the transaction.

Corresponding adjustments for international transactions

12

(1) A service charge between a taxpayer and an associated person shall be considered consistent with the arm's length principle where—

- (a) an adjustment to the conditions of transactions between a person resident in Zimbabwe and an associated person is made or proposed by a tax administration in a country other than Zimbabwe; and
- (b) this adjustment results in the taxation in that other country of an amount of income on which the person resident in Zimbabwe has already been charged to tax in Zimbabwe; and

- (c) the country making or proposing the adjustment has a treaty with Zimbabwe that reflects an intention to provide for the relief of economic double taxation.
- (3) The Commissioner, shall after a request is made by the person resident in Zimbabwe, examine the consistency of that adjustment with the arm's length principle provided for under [section ninety-eightB](#), consulting as necessary with the competent authority of the other country.
- (4) If the adjustment proposed or made by the other country is consistent with the arm's length principle both in principle and as regards the amount, the Commissioner shall make a corresponding adjustment to the amount of the tax charged in Zimbabwe to that person on those profits, in order to eliminate the economic double taxation that would result from the inclusion of the same profits in the taxable income of both that person and the associated person.
- (5) A request under paragraph (2) must include the information necessary for the Commissioner to examine the consistency of the adjustment made by the tax administration of the other country with the arm's length principle, including—
- (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;
 - (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;
 - (g) any other information that may be relevant for examining the consistency of the adjustment with the arm's length principle.
- (6) 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

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 this *Schedule*.

There may also be other relevant sources such as the ‘United Nations Practical Manual on Transfer Pricing for developing countries’.

THIRTY-SIXTH SCHEDULE

(Section 36M)

Schedule inserted by the Finance Act 1 of 2018 w.e.f. the year of assessment beginning 1st January 2018.

BOOKMAKERS TAX

Interpretation

1

(1) In this *Schedule*—

“**bookmaker**” means a person licensed or required to be licensed as such in terms of the [Betting and Totalizator Control Act \[Chapter 10:02\]](#);

“**gross takings**”, in relation to a bookmaker, means the total money earned by the bookmaker from betting with members of the public before paying out on any bet.

(2) Any term defined in the [Betting and Totalizator Control Act \[Chapter 10:02\]](#) shall bear the same meaning when used in this *Schedule*.

Bookmakers to pay bookmakers tax

2

(1) Every bookmaker shall pay **3%** of his or her gross takings in every month to the Commissioner-General no later than the last day of the month following the month in which the bookmaker collected those takings, or within such further time as the Commissioner-General may for good cause allow.

(2) Together with the payment of bookmakers tax the bookmaker shall provide the Commissioner-General with a return, in a form approved by the Commissioner-General, showing—

- (a) the amount of bookmakers tax; and
- (b) the amount of the gross takings from which the tax is paid.

Penalty for non-payment of tax

3

(1) Subject to subparagraph (2), a bookmaker who fails to pay to the Commissioner-General any amount of bookmakers tax as provided in paragraph 2 shall be liable for the payment to the Commissioner-General, not later than the date on which payment should have been made in terms of paragraph 2 of—

- (a) the amount of bookmakers tax which he or she failed to pay to the Commissioner-General; and

(b) a further amount equal to such bookmakers tax.

(2) The amounts for the payment of which a bookmaker is liable in terms of subparagraph (1) —

(a) shall be debts due by the principal to the State; and

(b) may be sued for and recovered by action by the Commissioner-General in any court of competent jurisdiction.

(3) The Commissioner-General, if he or she is satisfied in any particular case that the failure to pay to him or her bookmakers tax was not due to any intent to evade the provisions of this *Schedule*, may waive the payment of the whole or such part as he or she thinks fit of the amount referred to in subparagraph (1)(b).

Refund of overpayments

4

If it is proved to the satisfaction of the Commissioner-General that any bookmaker has been charged with bookmakers tax in excess of the amount properly chargeable to him or her in terms of this *Schedule*, the Commissioner-General shall authorise a refund in so far as it has been overpaid:

Provided that the Commissioner-General shall not authorise any refund in terms of this paragraph unless the claim therefor is made **within 6 years** of the date of payment of such tax.

THIRTY-SEVENTH SCHEDULE

Inserted by Act /2023 w.e.f. December 2023.

[*\(Section 36I\)*](#)

STATUTORY MOTOR INSURANCE LEVY

Interpretation

1

(1) In this Schedule—

“incurred claim” means a claim made pursuant to a statutory motor insurance policy—

(a) relating to the happening of an insured event; and

(b) in respect of which the insurer has acknowledged liability, or has not (by notice in writing delivered to the policy holder) disputed liability, within ninety days of the end of the accounting period of the insurer in which the insured event happened;

“incurred claims ratio”, in relation to every insurer and in respect of any year of assessment, means the ratio obtained by applying the formula referred to in paragraph 3(2);

“insurer” means a person registered or required to be registered as an insurer in terms of the [Insurance Act \[Chapter 24:07\]](#) who, in the year of assessment concerned, issues statutory motor insurance policies;

“liable insurer” means an insurer who in the year of assessment concerned issues any statutory motor insurance policy;

“statutory motor insurance policy” means a policy of insurance referred to in [section 22 \(1\) of the Roads and Road Traffic Act \[Chapter 13:11\]](#);

Returns of incurred claims ratio to be furnished by every insurer

2

(1) Every insurer, whether liable to pay statutory motor insurance levy or not, shall make a written return to the Commissioner-General setting forth, in each year of assessment, its incurred claims ratio for that year of assessment.

(2) If in any year of assessment an insurer is liable to pay statutory motor insurance levy, the return shall accompany the payment of the statutory motor insurance levy in terms of paragraph 4.

Statutory motor insurance levy

3

(1) Subject to this *Schedule*, every insurer shall be liable to pay the statutory motor insurance levy calculated in accordance with subparagraph (2) in respect of the year of assessment commencing on the 1st January, 2023, and each succeeding year of assessment.

(2) If the ratio of factor A to factor B resulting from the application of the following formula in relation to a particular insurer is seventy-five *per centum* (75%) or less, the insurer concerned shall pay, in respect of the year of assessment commencing on the 1st January, 2023, and each succeeding year of assessment in which, a statutory motor insurance levy of 20% (or such other rate as may be fixed by the Charging Act) of the total value of all premiums paid pursuant to statutory motor insurance policies to the insurer in the previous year of assessment—

$$\frac{A}{B \times 100}$$

A = the total value of all incurred claims paid pursuant to statutory motor insurance policies (regardless of the year in which they were incurred) by the insurer in the previous year of assessment

B = the total value of all premiums paid pursuant to statutory motor insurance policies to the insurer in the previous year of assessment

Period within which statutory motor insurance levy to be paid and penalty for delays in payment

4

(1) The statutory motor insurance levy shall be paid no later than three months following the year of the year of assessment to which it relates.

(2) An insurer that delays to comply with subparagraph (2) becomes liable to the Commissioner-General to pay interest of **15% per annum** (in the case of **United States** dollar amounts) or **200% per annum** (in the case of **Zimbabwe dollar** amounts) on any amount it has failed to remit timeously in accordance with [subsection \(3\)](#):

Provided that the Minister may by notice in a statutory instrument prescribe different rates of penalty for the purposes of this subsection that do not exceed the monetary policy rate specified in terms of [section 46 \(“Statements of monetary policy”\) of the Reserve Bank of Zimbabwe Act \[Chapter 22:15\]](#) that is in force on the date of the making of the statutory instrument.

Minimum claim settlements for the purpose of factor “A” of paragraph 3(2)

5

(1) Subject to subparagraph (2), for the purposes of this *Schedule* the Minister may, in consultation with the Minister responsible for administering the [Road Traffic Act \[Chapter 13:11\]](#) by statutory instrument, specify (and in like manner amend) the minimum amounts that a statutory policy must cover in respect of—

- (a) liability in respect of the death of, or bodily injury to, persons who were being carried in or on or entering or getting on to or alighting from the vehicle or trailer concerned when the event out of which the claims arise occurred, being a specified amount—
 - (i) in respect of any one such person killed or injured; or
 - (ii) in respect of any one accident or series of accidents due to or arising out of the occurrence of any one such event, where the vehicle concerned is a vehicle other than an omnibus; or
 - (iii) in respect of any one accident or series of accidents due to or arising out of the occurrence of any one such event, where the motor vehicle concerned is an omnibus or a commuter omnibus; or
- (b) liability in respect of the destruction of, or damage to, any property, being a specified amount—
 - (i) in respect of any one accident or series of accidents due to or arising out of the occurrence of any one event, where the vehicle concerned is a vehicle **other than** a passenger public service vehicle; or
 - (ii) in respect of any one accident or series of accidents due to or arising out of the occurrence of any one event, where the motor vehicle concerned is a passenger **public service vehicle**; or
- (c) any liability in respect of any one accident or series of accidents due to or arising out of the occurrence of any one event, being a specified amount —
 - (i) where the vehicle concerned is a vehicle other than an omnibus or a commuter omnibus; or

(ii) where the vehicle concerned is an omnibus or a commuter omnibus.

Provided that no amendment increasing any such amount shall have effect in relation to any statutory policy issued before the date of commencement of the statutory instrument in which the amendment is contained, until the end of the current term of that policy.

(2) The amounts specified under subparagraph (1) must **not exceed 75%** of the maximum amounts specified for the item concerned in [section 23 of the Road Traffic Act \[Chapter 13:11\]](#) (or the appropriate amount as amended in terms of section 23A of that Act by the Minister responsible for administering that Act).

(3) With effect from the date specified by the Minister in statutory instrument made under subparagraph (1), if any statutory policy of insurance insures any persons or classes of persons as may be specified in the policy for an amount less than that prescribed by the statutory instrument then no part of such amount, if paid, shall be deemed to be a “**claim settled**” for the purposes of factor A of the formula set forth in paragraph 3(2).

Refund of overpayments

6

If it is proved to the satisfaction of the Commissioner-General that any insurer has been charged with statutory motor insurance levy in excess of the amount properly chargeable to it in terms of this Schedule, the Commissioner-General shall authorise a refund in so far as it has been overpaid:

Provided that the Commissioner-General shall not authorise any refund in terms of this paragraph unless the claim therefor is made **within 6 years** of the date of payment of such tax.

Ring-fencing of statutory motor insurance levies

7

(1) In accordance with section 18 of the [Public Finance Management Act \[Chapter 22:19\]](#) the Minister shall constitute a fund to which statutory motor insurance levies shall be appropriated, for the purpose of making good incurred claims that have not been settled **within 2 years** from the date they were incurred by any insurer (the “**liable insurer**”) which, within that period, has made a payment of statutory motor insurance levy in terms of this *Schedule*.

(2) If in making good claims incurred by any liable insurer, the trustee or administrator of the Fund referred to subparagraph (1) finds that the total value of all claims made good by it in any year of assessment exceeds any amount of the statutory motor insurance levy paid by it in the year of assessment in question, or the highest amount of statutory motor insurance levy paid by in either of the 2 preceding years of assessment (whichever is the higher figure) then the trustee or administrator of the Fund shall, upon notice in writing to the insurer concerned setting forth the claim, have the right to sue for and recover the excess in any court of competent jurisdiction.

(3) An insurer who fails, **within 30 days** of receiving notice of the claim referred to in subparagraph (2), to settle the claim to the satisfaction of the trustee or administrator of

the Fund, becomes liable to the trustee or administrator to pay interest of **15% *per annum*** (in the case of **United States dollar** amounts) or **200% *per annum*** (in the case of **Zimbabwe dollar** amounts) on any amount it has failed to remit timeously in accordance with [subsection \(2\)](#) (and such amount shall form part of the amount that may be recovered in any court of competent jurisdiction in terms of subparagraph (2))