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## **PUBLIC NOTICE: DECLARATION AND PAYMENT OF TAX IN FOREIGN CURRENCY**

The Zimbabwe Revenue Authority, ZIMRA has noted with concern that some traders are still not accounting for tax in the currency of transaction. This malpractice is violating the provisions of section 4A of the Finance Act and section 38 (4) of the VAT Act, which requires that tax be paid in the currency of transaction.

The following business malpractices have been noted:

- ✚ Selling goods and services in foreign currency but not declaring foreign currency transactions for tax purposes as is required by the law.
- ✚ Transacting in foreign currency and converting payments for such transactions to Zimbabwean dollars for tax purposes.
- ✚ Transacting in foreign currency and declaring a very small portion of their foreign currency sales when paying their taxes.
- ✚ Selling directly in foreign currency without receipting foreign currency received and not including such sales when paying tax.
- ✚ Receipting foreign currency transactions manually when in fact, the business has a computer-aided system to receipt in the currency of trade. The proceeds from such manual receipts are not declared for tax purposes.
- ✚ Receipting foreign currency sales from back offices with stand-alone tills and proceeding not to receipt all income, thereby under declaring for tax purposes.
- ✚ Having sale points designated for forex transactions and sales from such machines not declared to ZIMRA.

- ✚ Not issuing receipts on transactions paid for in foreign currency and excluding such transactions on the sale records thereby under declaring sales.

ZIMRA is urging traders to issue receipts on all transitions done with their customers.

**NB** Taxpayers are urged to come forth and make voluntary disclosures of all undeclared, under declared and or unpaid taxes to ensure they comply with tax laws to avoid inconveniences associated with non-compliance. For any clarifications regarding payment of tax in foreign currency, please contact your nearest ZIMRA offices.

*My Taxes, My Duties: Building My Zimbabwe!!*

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