

# doing business in Zimbabwe

POPULATION  
14.6M



CURRENCY  
US DOLLAR (USD),  
ZIMBABWEAN  
DOLLAR (ZWL)

GMT+2



OFFICIAL LANGUAGE  
CHEWA, CHIBARWE, ENGLISH, KALANGA,  
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country profile											
<b>government structure</b>	<ul style="list-style-type: none"> <li>• <b>Executive:</b> The president is both the chief of state and head of government. The president is directly elected by absolute majority popular vote, in two rounds if needed, for a five-year term. The new constitution approved in the 2013 constitutional referendum limits the president to two five-year terms, but this does not take effect retrospectively. Cabinet is appointed by the president and is responsible to the National Assembly.</li> <li>• <b>Legislative:</b> Zimbabwe has a bicameral Parliament.</li> <li>• <b>Judicial:</b> The highest courts are the Supreme Court and the Constitutional Court. The subordinate courts are the High Court, Labour Court, Administrative Court, regional magistrates' courts, customary law courts and special courts.</li> <li>• <b>Next presidential and parliamentary elections:</b> August 2028.</li> </ul>										
<b>economic data</b>	<table border="0"> <tr> <td>• Nominal GDP (USD billions):</td> <td>8.75</td> </tr> <tr> <td>• GDP per capita (USD):</td> <td>541.35</td> </tr> <tr> <td>• Inflation rate (% change):</td> <td>3.00</td> </tr> <tr> <td>• Government revenue (% of GDP):</td> <td>14.77</td> </tr> <tr> <td>• Government gross debt (% of GDP):</td> <td>2.15</td> </tr> </table> <p><i>*Source: IMF (December 2023 estimates)</i></p> <ul style="list-style-type: none"> <li>• The main economic sectors in Zimbabwe are agriculture, mining, and tourism.</li> <li>• The main industries include mining (coal, gold, platinum, copper, nickel, tin, diamonds, clay, and numerous metallic and non-metallic ores), steel, wood products, cement, chemicals, fertiliser, clothing, and footwear, foodstuffs, and beverages.</li> <li>• Zimbabwe's main export partners are the United Arab Emirates, South Africa, and Mozambique. The main export commodities include gold, tobacco, iron alloys, nickel, diamonds, and jewellery.</li> <li>• Zimbabwe's main import partners are South Africa, Singapore, and China. The main import commodities include refined petroleum, delivery trucks, packaged medicines, fertilisers, and tractors.</li> </ul>	• Nominal GDP (USD billions):	8.75	• GDP per capita (USD):	541.35	• Inflation rate (% change):	3.00	• Government revenue (% of GDP):	14.77	• Government gross debt (% of GDP):	2.15
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<b>risk ratings</b>	<ul style="list-style-type: none"> <li>• S&amp;P Global Overall Country Risk (Q4 2023): 199/211</li> <li>• Corruption Perceptions Index (2022): 157/180</li> </ul>										

international treaties and memberships	
<b>international and regional organisations and customs unions</b>	<ul style="list-style-type: none"> <li>• African Continental Free Trade Area Agreement</li> <li>• African Development Bank Group</li> <li>• African Union</li> <li>• Common Market for Eastern and Southern Africa ("COMESA")</li> <li>• Group of 15</li> <li>• Group of 77</li> <li>• International Monetary Fund</li> <li>• Organisation of African, Caribbean and Pacific States ("OACPS")</li> <li>• Southern African Development Community</li> <li>• United Nations</li> <li>• World Bank Group</li> <li>• World Customs Organization</li> <li>• Zimbabwe receives preferential treatment under the agreements listed here: <a href="http://ptadb.wto.org/Country.aspx?code=716">http://ptadb.wto.org/Country.aspx?code=716</a></li> </ul>
<b>bilateral investment treaties</b>	<ul style="list-style-type: none"> <li>• Zimbabwe has bilateral investment treaties in force with China, Czechia, Denmark, Germany, Iran, Kuwait, the Netherlands, Republic of Korea, Russia, South Africa, and Switzerland.</li> <li>• Treaties have been signed with Austria, Belarus, Botswana, Croatia, , Egypt, France, Ghana, Indonesia, Italy, Jamaica, Malawi, Malaysia, Mauritius, Mozambique, Portugal, Serbia, Singapore, Sweden, Tanzania, Thailand, Uganda, the United Arab Emirates, and the United Kingdom but these have not yet entered into force.</li> </ul>
<b>investment-related agreements / institutions</b>	<ul style="list-style-type: none"> <li>• Cotonou Agreement (may be succeeded by the European Union and OACPS Partnership Agreement)</li> <li>• Multilateral Investment Guarantee Agency</li> <li>• World Trade Organization</li> </ul>
<b>dispute resolution</b>	<ul style="list-style-type: none"> <li>• Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention)</li> <li>• Permanent Court of Arbitration</li> <li>• United Nations Commission on International Trade Law (UNCITRAL)</li> <li>• United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention)</li> </ul>
<b>intellectual property ("IP") treaties</b>	<ul style="list-style-type: none"> <li>• A comprehensive list of IP-related treaties signed by Zimbabwe is available at: <a href="https://wipolex.wipo.int/en/legislation/members/profile/ZW?collection=treaties">https://wipolex.wipo.int/en/legislation/members/profile/ZW?collection=treaties</a></li> <li>• See the trade marks section below for further detail.</li> </ul>



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legal regime	
<b>applicable legal regime</b>	<ul style="list-style-type: none"> <li>Zimbabwe's legal system is based on English common law, Roman-Dutch civil law, and customary law.</li> </ul>
<b>dispute resolution</b>	<ul style="list-style-type: none"> <li>Foreign arbitral awards are enforceable in Zimbabwe after being registered with local courts, provided that they are consistent with Zimbabwean public policy.</li> <li>The Judicial Laws Amendment (Ease of Settling Commercial Disputes) Act, 2017 introduced commercial courts, which operate as a subdivision of the High Court of Zimbabwe, to deal with all commercial matters.</li> </ul>
<b>land acquisition, planning and use</b>	<ul style="list-style-type: none"> <li>The Land Reform Act gives the state full rights over any land designated for seizure and mandates a fine or a maximum two-year prison sentence for anyone who interferes with the resettlement programme.</li> <li>The State can make a compulsory acquisition of agricultural land if it is in the public interest.</li> </ul>
<b>competition</b>	
<i>merger control</i>	<ul style="list-style-type: none"> <li>The Zimbabwean Competition Act 7 of 1996 (Chapter 14:28) (the "<b>Competition Act</b>") regulates merger control in Zimbabwe. The relevant authority is the Competition and Tariff Commission (the "<b>Commission</b>").</li> <li>According to the Competition Act, a merger occurs when one or more persons acquires or establishes a direct or indirect controlling interest over the whole or part of the business of a competitor, supplier, customer or other person, where that controlling interest is achieved by: (i) the purchase or lease of the shares or assets of, or the amalgamation or combination with, a competitor, supplier, customer or other person; or (ii) by any other means.</li> <li>The Competition Act defines a "controlling interest" as: (i) in relation to any undertaking, any interest which enables the holder thereof to exercise, directly or indirectly, any control whatsoever over the activities or assets of the undertaking; and (ii) in relation to any asset, any interest which enables the holder thereof to exercise, directly or indirectly, any control whatsoever over the asset. The Competition Act does not define the notion of "<i>control</i>".</li> <li>Mandatory notification applies if, in the immediate previous financial year, the merging parties combined annual turnover in or from Zimbabwe or combined total asset value in Zimbabwe, is or exceeds USD1.2-million.</li> <li>The merger filing fees are calculated at 0.5% of the combined annual turnover in or from Zimbabwe or combined value of assets in Zimbabwe, whichever is higher, with a minimum and maximum fee cap of USD10 000 and USD40 000, respectively.</li> <li>The Commission will consider public interest (such as the impact of a merger on employment, brand development and consumer protection) when deciding on the merger.</li> </ul>

	<ul style="list-style-type: none"> <li>Zimbabwe is a pre-implementation regime, therefore, approval must be sought from the Commission prior to implementation of the proposed transaction. A party to a notifiable merger must notify the Commission in writing of the proposed merger within 30 days of conclusion of the merger agreement or within 30 days of the acquisition of a controlling interest by one undertaking in another.</li> <li>If firms implement a merger in contravention of the Competition Act, the Commission can terminate the transaction and/or impose a fine of up to 10% of either or both of the merging parties' annual turnover in Zimbabwe.</li> <li>Zimbabwe is a member of a regional competition body, COMESA. COMESA has an operational merger control regime. Merger activities in Zimbabwe should be conducted with this regional competition body in mind.</li> </ul>
<i>prohibited practices</i>	<ul style="list-style-type: none"> <li>The Competition Act provides for the prevention and control of restrictive practices and monopoly situations and prohibits unfair trade practices.</li> <li>A "restrictive practice" is defined in broad terms and is taken to mean any of the following, which restrict competition directly or indirectly to a material degree: (i) agreement, arrangement or understanding, whether enforceable or not, between two or more persons; (ii) any business practice or method of trading; (iii) any deliberate act or omission on the part of any person, whether acting independently or in concert with any other person; or (iv) any situation arising out of the activities of any person or class of persons.</li> <li>An "unfair business practice" refers to a restrictive practice (as defined above) or to conduct specified by the Competition Act, the latter of which includes cartel-like activity, such as undue refusal to distribute commodities or services, bid-rigging, collusive arrangements between competitors, predatory pricing, resale price maintenance, and exclusive dealing.</li> <li>The Competition Act empowers the Commission to terminate, prevent or alter a monopoly situation that is contrary to the public interest (i.e., abuse of a dominant position). A monopoly situation is defined as a situation in which a single person exercises, or two or more persons with a substantial economic connection exercise, substantial market control over any commodity or service. A monopoly situation may otherwise be permitted where the firm concerned can show the existence of pro-competitive features.</li> <li>Any person who enters into, engages in, or otherwise gives effect to an unfair trade practice shall be guilty of an offence and liable, in the case of an individual, to a fine not exceeding level 12 (ZWL200 000) or to imprisonment for a period not exceeding two years (or both), and in all other cases to a fine not exceeding level 14 (ZWL500 000).</li> <li>COMESA regulates prohibited practices in the COMESA Common Market. Activities in Zimbabwe should be conducted with this regional competition body in mind.</li> </ul>



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<b>employment</b>	
<i>immigration</i>	<ul style="list-style-type: none"> <li>Expatriates working in Zimbabwe must hold a valid work permit and a residence permit approved by the Chief Director of Immigration.</li> <li>Expatriates intending to work in Zimbabwe for a period less than six months must obtain a Temporary Employment Permit (TEP).</li> <li>There is no restriction on the number of foreigners that an investor may employ. The investor is, however, required to motivate that the required skill cannot be sourced from within Zimbabwe.</li> <li>Expatriates are expected to be understudied by Zimbabweans and training programmes are to be conducted for local staff.</li> </ul>
<i>local employment vs secondment</i>	<ul style="list-style-type: none"> <li>In terms of Zimbabwe's employment legislation, an employee may be seconded to Zimbabwe, but a temporary work permit will be required.</li> </ul>
<i>fixed-term contracts and temporary employment services</i>	<ul style="list-style-type: none"> <li>Fixed-term contracts are allowed in terms of the Labour Act (Chapter 28:01). The Act denotes it to be an unfair dismissal in cases of a fixed-term contract whereby, on termination of an employment contract of fixed duration, the employee:             <ul style="list-style-type: none"> <li>had a legitimate expectation of being re-engaged; and</li> <li>another person was engaged instead of the employee.</li> </ul> </li> <li>While there are no specific legislative prohibitions on labour broking, this practice is not generally accepted, and the validity of this practice is not well established in terms of law.</li> </ul>
<i>payment in local currency</i>	<ul style="list-style-type: none"> <li>Remuneration may be paid in local or foreign currency, and the tax due on the remuneration must be settled in the same currency of payment.</li> </ul>
<i>restraint of trade agreements</i>	<ul style="list-style-type: none"> <li>Restraint of trade agreements are valid and enforceable, subject to the reasonability for the geographical area, time limits and general industry practices.</li> </ul>
<b>foreign investment regime</b>	
<b>investment regime</b>	<ul style="list-style-type: none"> <li>The Zimbabwe Investment and Development Agency Act (Chapter 14:37) (the "ZIDA Act") governs foreign investment in Zimbabwe.</li> <li>The Zimbabwe Investment and Development Agency ("ZIDA") has been established, <i>inter alia</i>, to promote, plan and implement investment promotion strategies for the purpose of encouraging investment by domestic and foreign investors, as well as to control and supervise the One Stop Investment Services Centre ("OSISC").</li> <li>The OSISC has been established as a one-stop shop to provide investment services, including company registration, tax registration and clearance, and licensing procedures.</li> </ul>

<b>registration / licensing requirements</b>	<ul style="list-style-type: none"> <li>Foreign investors may apply to ZIDA for an investment licence for an existing or planned investment in or outside a special economic zone for the purpose of securing benefits and the protections accorded by the ZIDA Act, such as priority treatment when applying for any permit, licence concession, or other authorisation.</li> <li>Investors must register with the following departmental representatives at the OSISC:             <ul style="list-style-type: none"> <li>the Office for the Registration of Companies and Other Business Entities;</li> <li>the Zimbabwe Revenue Authority ("ZIMRA"). All taxpayers must register with ZIMRA and obtain a Business Partner Number. If an enterprise's turnover exceeds the value added tax ("VAT") registration threshold (see 'tax' below), it should also specifically apply for VAT registration;</li> <li>the National Social Security Authority ("NSSA"). Every employer must register with the NSSA for purposes of making social security contributions;</li> <li>the Immigration Department; and</li> <li>the Reserve Bank of Zimbabwe.</li> </ul> </li> </ul>
<b>non-industry specific registrations / licences</b>	<ul style="list-style-type: none"> <li>The following general non-industry specific registration / licences may also be required:</li> </ul>
<i>business permit</i>	<ul style="list-style-type: none"> <li>Businesses operating in Zimbabwe must hold a valid trading licence from the local city or district municipality where they operate.</li> <li>Trading licences are divided into the following three classes:             <ul style="list-style-type: none"> <li>shop licences;</li> <li>industrial licences; and</li> <li>liquor licences.</li> </ul> </li> <li>Trading licences are generally restricted to specific premises and are granted following an inspection of the premises by municipal officers.</li> </ul>
<i>Zimbabwe Manpower Development Fund ("ZIMDEF")</i>	<ul style="list-style-type: none"> <li>Every employer / business must register with ZIMDEF for purposes of paying a training levy, utilised to finance the development of critical and highly skilled manpower in Zimbabwe.</li> </ul>
<b>industry-specific licences</b>	<ul style="list-style-type: none"> <li>Industry-specific licences may also be required.</li> </ul>



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<p><b>incentives</b></p>	<ul style="list-style-type: none"> <li>Incentives include: <ul style="list-style-type: none"> <li>a reduced corporate income tax rate and capital allowances available to a company holding a special mining lease, however, holders of special mining leases may also be subject to additional profits tax;</li> <li>a five-year tax holiday and subsequent reduced corporate income tax rate applicable to approved Build-Own-Operate-Transfer (BOOT) or Build-Operate-Transfer (BOT) arrangements;</li> <li>a five-year tax holiday and subsequent reduced corporate income tax rate available to industrial park developers, licensed investors in Special Economic Zones and operators of a tourist facility in an approved tourist development zone;</li> <li>reduced corporate income tax rates available to manufacturers exporting 30% or more of their total manufacturing output;</li> <li>a five-year tax holiday and subsequent reduced corporate income tax rate available to power generation projects;</li> <li>an exemption from corporate income tax for Real Estate Investment Trusts (REITs), subject to certain conditions;</li> <li>a tax credit for the employment of physically challenged persons;</li> <li>capital allowances (depreciation), subject to certain limitations, generally available over a period of four years. Accelerated allowances are granted to mining companies; and</li> <li>several favourable customs incentives available to the productive sectors.</li> </ul> </li> </ul>
<p><b>exchange control regulation</b></p>	<ul style="list-style-type: none"> <li>Zimbabwe applies foreign exchange controls in terms of the Exchange Control Act, which is administered by the Reserve Bank of Zimbabwe ("RBZ").</li> <li>Investors may, without restriction or delay, in a freely convertible currency, transfer funds as specified under the ZIDA Act, into and out of Zimbabwe, provided all tax obligations imposed on the amount to be transferred and exchange control compliance requirements are met.</li> <li>Cross-border transactions must be made through a commercial bank (authorised dealer).</li> <li>Authorised dealers can process external loans and/or trade credits of up to USD20-million without prior approval from the RBZ's External Loans Co-ordinating Committee ("ELCC"). All applications for external loans in excess of this stipulated threshold must be submitted to the RBZ for the ELCC's approval.</li> <li>Changes in the ownership structure of unlisted businesses in favour of non-residents requires exchange control approval.</li> </ul>

<p><b>types of entities available for foreign investment</b></p>	<ul style="list-style-type: none"> <li>Public (joint stock) company;</li> <li>private (limited liability) company;</li> <li>registered branch of foreign company; and</li> <li>private business corporation.</li> </ul>
<p><b>private limited liability company</b></p>	
<p><b>minimum number of shareholders</b></p>	<ul style="list-style-type: none"> <li>A minimum of one shareholder is required and the maximum allowed is 50.</li> </ul>
<p><b>minimum share capital</b></p>	<ul style="list-style-type: none"> <li>There are no minimum share capital requirements in Zimbabwe, although companies are normally formed with 2 000 shares.</li> </ul>
<p><b>directors</b></p>	<ul style="list-style-type: none"> <li>A private company with more than one and fewer than 10 shareholders must have two or more directors, while a private company with 10 or more shareholders must have no fewer than three directors.</li> <li>At least one director must be ordinarily resident in Zimbabwe but does not necessarily have to be a citizen of Zimbabwe.</li> </ul>
<p><b>company secretary</b></p>	<ul style="list-style-type: none"> <li>Every company must appoint a company secretary. The company secretary must be: <ul style="list-style-type: none"> <li>a natural person ordinarily resident in Zimbabwe; or</li> <li>a firm or corporation of which at least one member or director is ordinarily resident in Zimbabwe and accepts responsibility for the work of the firm or corporation as secretary.</li> </ul> </li> </ul>
<p><b>auditor</b></p>	<ul style="list-style-type: none"> <li>The general requirement under the Companies and Other Business Entities Act (Chapter 24:31) (the "COBE Act") is that all companies should appoint an auditor. However, a private company is not required to appoint an auditor where: <ul style="list-style-type: none"> <li>the number of members in such company does not exceed 10; and</li> <li>none of the members of such company are: <ul style="list-style-type: none"> <li>a public company, whether incorporated under the COBE Act or the law of a foreign country; or</li> <li>a private company which is a subsidiary of a public company; and</li> </ul> </li> <li>such company is not a subsidiary of a holding company which has itself appointed auditors; and</li> <li>all the members in such company agree that an auditor shall not be appointed.</li> </ul> </li> </ul>



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<b>registered address</b>	<ul style="list-style-type: none"> <li>A company must have a registered office in Zimbabwe to which all communications and notices may be addressed, and which must constitute the address for service of legal proceedings on the company.</li> <li>A company may have its registered address at the offices of any firm of accountants or legal practitioners.</li> </ul>
<b>shelf companies</b>	<ul style="list-style-type: none"> <li>Shelf companies are available for purchase in Zimbabwe. However, in practice there is a preference for registration of new companies.</li> </ul>
<b>registration process</b>	<ul style="list-style-type: none"> <li>Companies are registered with the Registrar of Companies, and it takes approximately one week to complete registration once all the required documents have been submitted.</li> </ul>
<b>tax</b>	
<b>tax system</b>	<ul style="list-style-type: none"> <li>Zimbabwe has a source-based tax system, in terms of which both residents and non-residents are subject to tax on income earned from a source in Zimbabwe.</li> </ul>
<b>corporate residence</b>	<ul style="list-style-type: none"> <li>A company is resident in Zimbabwe if its central management and control is situated in Zimbabwe.</li> </ul>
<b>corporate tax rate</b>	<ul style="list-style-type: none"> <li>Resident companies and permanent establishments of foreign companies are subject to corporate income tax at the rate of 24%. In addition, an AIDS levy of 3% of the tax payable is due, increasing the effective rate to 24.72%.</li> <li>A reduced corporate income tax rate applies to companies qualifying for specified incentives.</li> </ul>
<b>capital gains tax ("CGT") and capital gains withholding tax ("CGWT")</b>	<ul style="list-style-type: none"> <li>Capital gains are subject to tax under a separate regime and CGWT is applied as an early collection measure for the final CGT payable on assessment. The following rates apply on the disposal of: <ul style="list-style-type: none"> <li>immovable property and unlisted marketable securities situated in Zimbabwe and acquired on or after 22 February 2019: 20% on the net capital gain (CGWT – 15% of gross proceeds);</li> <li>listed marketable securities: 1% of the price at which the security was sold if such security was held for at least six months on the date of its sale (CGWT – 1%), or 4% of the net gain if such security was held for less than 180 days on the date of its sale (CGWT – 40%<sup>1</sup>); and</li> <li>immovable property and unlisted marketable securities acquired prior to 22 February 2019: 5% on the gross proceeds (CGWT – 5%).</li> </ul> </li> <li>Proceeds from the disposal of securities listed on the Victoria Falls Stock Exchange ("VFEX") are exempt from CGT.</li> </ul>

withholding tax ("WHT") rates	WHT rate		
	payment to	residents	non-residents*
branch profits		N/A	N/A
dividends		0% (companies) 10% (securities listed on the Zimbabwe Stock Exchange) 10% (securities listed on the VFEX) 10% (other)	15% 10% (securities listed on the Zimbabwe Stock Exchange) 5% (securities listed on the VFEX)
interest		5% (fixed term deposits) 15% (other interest)	N/A
royalties		N/A	15%
management, consulting, and technical service fees		N/A	15%
local contracts		30% (payments to local suppliers who do not hold a valid tax clearance certificate)	N/A
<i>*The withholding tax rate may be reduced in terms of a relevant double tax agreement.</i>			
<b>double tax agreements ("DTAs")</b>	<ul style="list-style-type: none"> <li>DTAs are in force with Botswana, Bulgaria, Canada, China, Democratic Republic of the Congo, France, Germany, Kuwait, Malaysia, Mauritius, the Netherlands, Norway, Poland, South Africa, Sweden, the United Arab Emirates, and the United Kingdom.</li> </ul>		
<b>losses</b>	<ul style="list-style-type: none"> <li>Losses may generally be carried forward for a period of six years.</li> <li>Losses from mining operations may be carried forward indefinitely.</li> </ul>		
<b>transfer pricing</b>	<ul style="list-style-type: none"> <li>In terms of Zimbabwe's transfer pricing rules both domestic and cross border transactions between associated persons must be entered into on an arm's length basis.</li> <li>Two persons are treated as associates of each other if one of them acts in accordance with the directions, requests, suggestions or wishes of the other person, including where the person is a company: <ul style="list-style-type: none"> <li>a person who, either alone or together with one or more associates, controls the company; or</li> </ul> </li> </ul>		

<sup>1</sup> It is not clear if this is an error in the statute as the CGWT is 10 times greater than the final tax.



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	<ul style="list-style-type: none"> <li>another company which is controlled by a person referred to above, either alone or together with one or more associates.</li> </ul>																												
<b>limitations on interest deductibility</b>	<ul style="list-style-type: none"> <li>In terms of Zimbabwe's thin capitalisation rules, the maximum accepted debt-to-equity ratio for tax purposes is 3:1. The portion of borrowing costs that are disallowed as a tax deduction are deemed to be dividends subject to withholding tax. For these purposes, interest free shareholder loans are considered as equity.</li> <li>Thin capitalisation rules do not apply if the: <ul style="list-style-type: none"> <li>lender is a local financial institution;</li> <li>lender and borrower are both residents;</li> <li>lender and the borrower are unrelated; and</li> <li>transaction is not entered into for tax avoidance purposes.</li> </ul> </li> </ul>																												
<b>employee taxes</b>	<ul style="list-style-type: none"> <li>The income tax rates applicable to resident individuals are: Employment income earned in ZWL: <table border="1"> <thead> <tr> <th>annual chargeable income (ZWL)</th> <th>tax rate</th> </tr> </thead> <tbody> <tr> <td>up to 1 100 000</td> <td>0%</td> </tr> <tr> <td>1 100 001 – 3 840 000</td> <td>20%</td> </tr> <tr> <td>3 840 001 – 6 576 000</td> <td>25%</td> </tr> <tr> <td>6 576 001 – 9 312 000</td> <td>30%</td> </tr> <tr> <td>9 312 001 – 12 000 000</td> <td>35%</td> </tr> <tr> <td>above 12 000 000</td> <td>40%</td> </tr> </tbody> </table>  Employment income earned in USD: <table border="1"> <thead> <tr> <th>annual chargeable income (USD)</th> <th>tax rate</th> </tr> </thead> <tbody> <tr> <td>up to 1 200</td> <td>0%</td> </tr> <tr> <td>1 201 – 3 600</td> <td>20%</td> </tr> <tr> <td>3 601 – 12 000</td> <td>25%</td> </tr> <tr> <td>12 001 – 24 000</td> <td>30%</td> </tr> <tr> <td>24 001 – 36 000</td> <td>35%</td> </tr> <tr> <td>above 36 000</td> <td>40%</td> </tr> </tbody> </table> </li> <li>In addition to the rates set out above, an AIDS levy of 3% of the tax payable is also charged.</li> <li>Where an employee earns a combination of foreign currency and local currency earnings, the local currency earnings are converted to USD at the ruling exchange rate and combined with actual USD earnings and the USD table is applied to determine the overall taxable income. For payment purposes this is then split out into the respective currency of earnings.</li> </ul>	annual chargeable income (ZWL)	tax rate	up to 1 100 000	0%	1 100 001 – 3 840 000	20%	3 840 001 – 6 576 000	25%	6 576 001 – 9 312 000	30%	9 312 001 – 12 000 000	35%	above 12 000 000	40%	annual chargeable income (USD)	tax rate	up to 1 200	0%	1 201 – 3 600	20%	3 601 – 12 000	25%	12 001 – 24 000	30%	24 001 – 36 000	35%	above 36 000	40%
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<b>social security contributions</b>	<ul style="list-style-type: none"> <li>Both employees and employers must make monthly social security contributions to the National Pension Scheme, which is operated by the NSSA.</li> <li>Both the employer and employee contribute each an equal amount of 4.5% of basic salary per month, with a salary cap revised at periodic intervals.</li> <li>The NSSA also operates the Accident Prevention and Workers' Compensation Scheme / Workers' Compensation Insurance (WCIF) Fund / Scheme to which the employer is obliged to contribute at a rate of between 2% and 11% depending on the risk factor allocated to the type of industry.</li> </ul>
<b>payroll taxes</b>	<ul style="list-style-type: none"> <li>A manpower development levy is payable by employers at a rate of 1% of the total wage bill.</li> <li>Employers are also obliged to pay a standards development levy at a rate of 0.5% of gross salaries.</li> </ul>
<b>stamp duty</b>	<ul style="list-style-type: none"> <li>Stamp duty is levied under the Stamp Duties Act (Chapter 23:09) on several classes of instruments at the time of issuance or transfer of a specified instrument.</li> <li>Stamp duty at the rate of 0.25% is payable on the purchase of shares listed on the Zimbabwe Stock Exchange.</li> <li>Stamp duty on the transfer of immovable property is levied at progressive rates, ranging from 1% to 4%, depending on the property value.</li> </ul>
<b>value added tax ("VAT")</b>	
<i>taxable supplies</i>	<ul style="list-style-type: none"> <li>VAT is levied on the supply of goods and services in Zimbabwe and on the importation of goods and services.</li> </ul>
<i>VAT rate</i>	<ul style="list-style-type: none"> <li>15%</li> </ul>
<i>registration threshold</i>	<ul style="list-style-type: none"> <li>Any person who in a 12-month moving period has or expects to have cumulative taxable supplies exceeding USD40 000 or the local currency equivalent must register for VAT purposes.</li> </ul>
<i>reverse VAT on imported services</i>	<ul style="list-style-type: none"> <li>Resident companies are required to account for output VAT in respect of imported services rendered by non-resident companies under a reverse-charge mechanism.</li> <li>The VAT on imported services may be claimed as an input by VAT registered operators to the extent that the services are used for making taxable supplies.</li> </ul>
<i>VAT withholding</i>	<ul style="list-style-type: none"> <li>The Zimbabwe Revenue Authority may appoint any VAT registered operator as an agent for purposes of withholding VAT when making payments.</li> </ul>



# doing business in Zimbabwe

POPULATION  
14.6M



CURRENCY  
US DOLLAR (USD),  
ZIMBABWEAN  
DOLLAR (ZWL)

GMT+2



OFFICIAL LANGUAGE  
CHEWA, CHIBARWE, ENGLISH, KALANGA,  
KOISAN, NAMBYA, NDAU, NDEBELE,  
SHANGANI, SHONA, SIGN LANGUAGE,  
SOTHO, TONGA, TSWANA, VENDA, XHOSA



<b>currency of settlement</b>	<ul style="list-style-type: none"> <li>The Zimbabwe Revenue Authority requires that input and output tax be returned in the originating currencies, without offset between currencies. Payment / refund of the net VAT position is in the respective currency.</li> </ul>
<b>trade marks</b>	
<b>international conventions, treaties, and arrangements</b>	<ul style="list-style-type: none"> <li>African Regional Intellectual Property Organization (Banjul Protocol) (enabling legislation enacted)</li> <li>Madrid Protocol (enabling legislation enacted)</li> <li>Paris Convention</li> <li>World Intellectual Property Organization Convention</li> <li>World Trade Organization / Trade-Related Aspects of Intellectual Property Rights (TRIPS)</li> </ul>
<b>classification</b>	<ul style="list-style-type: none"> <li>The International Classification of Goods and Services (Nice Classification) applies.</li> <li>A separate application is required for each class of goods and/or services.</li> </ul>
<b>categories of trade marks</b>	<ul style="list-style-type: none"> <li>Provision is made for:                             <ul style="list-style-type: none"> <li>ordinary trade marks (goods and services trade marks);</li> <li>collective trade marks;</li> <li>certification trade marks;</li> <li>defensive trade marks; and</li> <li>series trade marks.</li> </ul> </li> </ul>
<b>filing requirements</b>	<ul style="list-style-type: none"> <li>Simply signed Power of Attorney;</li> <li>reproduction of the trade mark; and</li> <li>certified copy of priority document (if applicable), with verified English translation.</li> </ul>
<b>procedure</b>	<ul style="list-style-type: none"> <li>Applications are examined as to inherent registrability and conflict with prior existing registrations / applications. If accepted, the application is published for opposition purposes.</li> </ul>
<b>oppositions and non-use cancellations</b>	<ul style="list-style-type: none"> <li>Opposition may be lodged within two months following the date of advertisement of the trade mark application. Extension of the opposition period is possible at the discretion of the Registrar.</li> <li>A registered trade mark may be cancelled on action by an interested party if it has not been used for a continuous period of five years after the date of registration.</li> </ul>
<b>duration and renewal</b>	<ul style="list-style-type: none"> <li>A trade mark registration is effective for an initial period of 10 years from filing date, thereafter renewable for further periods of 10 years.</li> </ul>

ENS is a full-service law firm with significant experience and specialist expertise that spans all commercial areas of law, tax, forensics, and IP across Africa. For more information or assistance please contact:

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