ZIMBABWE

ACT

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

ENACTED by the Parliament and the President of Zimbabwe.

PART I

PRELIMINARY

1 Short title

This Act may be cited as the Finance Act, 2025.

PART II

INCOME TAX

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

2 Amendment of section 4 of Cap. 23:04

Section 4 ("Interpretation in Chapter I") (1) of the Finance Act [*Chapter 23:04*] is amended—

(a) by the insertion of the following definitions—

""corporate tax", for the purpose of the definition of "final tax" means the tax which in section 14 is levied on individuals or corporate entities on their income earned from trade or investment;

"final tax", in relation to any withholding tax that, in terms of this Act and the Taxes Act, is withheld from income earned from trade or investment of a specified type, means tax which cannot be claimed as a credit against corporate tax because the income in question is deemed not to be liable to corporate tax;

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"income earned from trade and investment of a specified type" means (for the purpose of the definition of "final tax") income liable to resident shareholders' tax, property or insurance commission tax, gaming operators and punter's tax or any income subject to withholding tax that is declared to be a final tax;

(b) by the insertion of the following subsection after subsection (2)—

"(3) If there is any difference in the way that the provisions of any revenue Act are numbered (whether numerically or alphanumerically) between the version of that revenue Act issued in hard copy by the publisher of the *Gazette* and any digital copy produced by the Law Reviser, then the former shall be definitive (the Law Reviser shall in consultation with the Revenue Authority issue a notice aligning the numbering of the hard copy and digital versions of the revenue Act, at which point the numbering specified in such notice shall be definitive)." .

3 Amendment of section 13A of Cap. 23:04

The Finance Act [*Chapter 23:04*] is amended in section 13A ("Youth employment credit")—

(a) in subsection (1) by the by the insertion of the following definition—

"business or knowledge process outsourcing service" or "BKPO service" means both or either of the following, namely a service in Zimbabwe ("onshore person or entity") that—

(a) carries out routine or operational business tasks on behalf of any offshore person or entity that has outsourced such tasks to the onshore person or entity;

(b) provides higher value or knowledge intensive tasks that require specialised expertise on behalf of any offshore person or entity that has outsourced such tasks to the onshore person or entity;";

(b) by the insertion after subsection (3) of the following subsection—

"(3a) In the case of a qualifying taxpayer who is a business or knowledge process outsourcing service, the amount of the credit deductible in terms of subsection (2) shall be calculated at the rate of one thousand five hundred dollars per annum for each additional employee of a qualifying taxpayer who is a business or knowledge process outsourcing service, up to a maximum aggregate amount of sixty thousand dollars in any year of assessment.".

4 New section inserted after section 13B in Cap. 23:04

With effect from the 1st January, 2026, the Finance Act [*Chapter 23:04*] is amended by the insertion in Part II after section 13B of the following section—

"13C Credit for certain sports expenditure by corporate taxpayers

(1) In this section—

"corporate taxpayer" means corporate entity that pays corporate tax on its income earned from trade or investment;

"registered sports development programme" means a programme that uses sport and physical activity to achieve wider social, educational, health, or community development goals, beyond just athletic performance; in particular, such a programme must—

(a) conform to the criteria published or prescribed the Sports and Recreation Commission established by the Sports and Recreation Commission Act [*Chapter 25:15*]; and

(b) be registered by or on behalf of any person (including any local authority or private or public entity) to secure the benefit of this section with the Sports and Recreation Commission;

"rural sports academy" means an institution or organization located within the area of jurisdiction of a rural district council, being an institution or organization dedicated to the systematic training, education, and development of athletes in one or more sports disciplines;

(2) Subject to subsection (3), an amount expended by a corporate taxpayer during the year of assessment towards the establishment or maintenance of a rural sports academy, or for the purpose of a registered youth development programme, or not more than ten thousand United States dollars (or the local currency equivalent) of such expenditure (whichever is the lesser amount), may be claimed by the corporate taxpayer as a credit to be deducted from the income tax payable by that corporate taxpayer.

(3) For the purposes of this section—

(a) the corporate taxpayer must be—

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

(ii) be compliant in every respect with the applicable requirements of the National Social Security Act [*Chapter 17:04*];

(b) proof satisfactory to the Commissioner must be furnished by the corporate taxpayer that any expenditure qualifying for a credit under this section was expended for the purpose of the establishment or maintenance of a rural sports academy, or for the purpose of a registered youth development programme, in the year of assessment in which the credit is claimed.

(c) to the extent that any credit under this section exceeds the tax payable by the corporate taxpayer claiming it, the Commissioner shall not refund such excess to the taxpayer, but such excess shall be capable of being carried over to the next year of assessment; and

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

5 Amendment of section 14 of Cap. 23:04

With effect from the year of assessment beginning on the 1st January, 2026, section 14 ("Income tax for periods of assessment after 1.4.88")(2) of the Finance Act [*Chapter 23:04*] is amended—

(a) in subsection (1) by the insertion of the following definition—

""BKPO service" has the meaning given to it by section 13A(1);";

(b) in subsection (2), by the insertion of the following paragraph after paragraphs (b1) and (e1) respectively—

"(b2) in the case of a person other than a company, a trust or a pension fund, who is the holder of a temporary employment permit issued in terms of the Immigration Act [*Chapter 4:02*] in respect of his or her employment with a an international financial services centre declared in terms of section 78A of the Banking Act [*Chapter 24:24*], at the specified percentage of each United States dollar of his or her taxable income from that employment;

"(e2) in respect of that part of the taxable income of a BKPO service which is attributable to its operations as such, at the percentage of each portion of that income specified in Part II of the Schedule.".

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

The Schedule ("Credits and Rates of Income Tax") to Chapter I of the Finance Act [*Chapter 23:04*] is amended with effect from the year of assessment beginning on the 1st. January, 2025, in Part II by the insertion of the following item after the item referencing section 14(2)(b) and 14(2)(e) respectively—

14(2)(b2)	Taxable income of expatriate individuals employed in international financial centre	15
14(2)(e2)	Taxable income of BKPO service	15'.

7 Substitution of section 22C of Cap. 23:04

(1) With effect from the year of assessment beginning on the 1st January, 2026, section 22C ("Presumptive tax") of the Finance Act [*Chapter 23:04*] is amended—

(a) in subsection (1) by the repeal of paragraphs (f), (g), (h), (n) and (o);

(b) by the insertion of the following subsection after subsection (3)—

"(4) The following classes of taxpayers shall, no later than the 1st January, 2026, comply with section 37A ("Self-assessment return") of the Taxes Act—

(a) operators of omnibuses for the carriage of passengers for hire or reward having seating accommodation for not less than twenty-five or more than thirty-six passengers;

(b) operators of omnibuses for the carriage of passengers for hire or reward having seating accommodation for not less than thirty-seven passengers;

(c) operators of goods vehicles having a carrying capacity—
  (i) of more than ten tonnes but less than twenty tonnes;
  (ii) of ten tonnes or less but which is driving one or more trailers resulting in a combined carrying capacity of more than fifteen tonnes but less than twenty tonnes;
  (iii) of twenty tonnes or more;

(d) operators of commercial waterborne vessels of a description referred to in paragraph 2(a) of the definition of "commercial waterborne vessel" in the Twenty-Sixth Schedule of the Taxes Act, having a carrying capacity (inclusive of cabin crew) —
  (i) of not more than five passengers;
  (ii) of six passengers but less than sixteen passengers;
  (iii) of sixteen passengers but less than twenty-six passengers.".

8 Amendment of section 22G of Cap. 23:04

With effect from the 1st January, 2026, the Finance Act [*Chapter 23:04*] is amended in section 22G ("Intermediated Money Transfer Tax")(1) by the repeal of the first paragraph denominated as paragraph (a) (the second paragraph so denominated and subsequent paragraphs to be redenominated as paragraphs (b), (c) and (d)) and the substitution of—

"(a) section 36G(2) of the Taxes Act shall be calculated at the rate of one comma five *per centum* on every unit of local currency or part thereof transacted for each transaction on which the tax is payable:

Provided that if a single transaction on which the tax is payable is equivalent to or exceeds the equivalent in local currency of five hundred thousand United States dollars (at the prevailing interbank rate) a flat intermediated money transfer tax of the equivalent in local currency of ten thousand one hundred and fifty United States (at the prevailing interbank rate) shall be chargeable on such transaction; or".

9 Substitution of section 22M of Cap. 23:04

With effect from the year of assessment beginning on the 1st January, 2026, section 22M of the Finance Act [*Chapter 23:04*] is repealed and substituted by the following sections—

"22M Gaming operators tax and punters tax

The Gaming operators tax and punters tax chargeable in terms of section 36L of the Taxes Act shall be calculated—

(a) at the rate of twenty *per centum* of each dollar of the gross monthly takings of the gaming operator in terms of the Thirty-Sixth Schedule to that Act; and

(b) at the rate of twenty-five *per centum* of each dollar of the gross winnings of punters in terms of the Thirty-Sixth Schedule to that Act;.

10 Amendment of section 22P in Cap. 23:04

With effect from the year of assessment beginning on the 1st January, 2026, the Finance Act [*Chapter 23:04*] is amended in section 22P ("Levy on gross value of lithium, black granite, quarry stone and uncut and cut dimensional stones") by the deletion of the words "shall be one *per centum* of the gross value of the sale within Zimbabwe or on export of lithium, black granite, quarry stones and uncut and cut dimensional stone" and the substitution of "shall be three *per centum* of the gross value of the sale within Zimbabwe or on export of coal, lithium, black granite, quarry stones and uncut and cut dimensional stone (whether polished or unpolished)".

11 New section inserted after section 22S in Cap. 23:04

With effect from the 1st January, 2026, the Finance Act [*Chapter 23:04*] is amended by the insertion of the following section after section 22S—

"22T Presumptive rental income tax

The presumptive rental tax chargeable in terms of section 36S of the Taxes Act shall be calculated at the rate of fifteen *per centum* of each dollar of the rental from which such tax is to be charged and paid in terms of the Fortieth Schedule to that Act.".

12 Amendment of Chapter XI of Cap. 23:04

With effect from the 1st January, 2026, Chapter XI ("Statutory Fees and Charges") of the Finance Act [*Chapter 23:04*] is amended—

(a) in section 45 ("Interpretation in Chapter XII") by the insertion of the following definition—

"electronic payment system, device or platform" means any apparatus or device or electronic platform enabling the digital transfer of money between parties using electronic networks, eliminating the need for physical cash or paper-based instruments, and includes in particular—

(i) a point of sale machine;

(ii) a mobile money platform, that is to say a digital financial service that allows people to store, send, and receive money using their mobile phones, whether or not routed through a physical account at a banking institution;

(iii) such other system, device or apparatus enabling the electronic transfer of money as may be prescribed;

(b) by the insertion of the following section after section 48—

"48A Payment of statutory fees, etc by the use of electronic payment system, device or platform

(1) Notwithstanding anything to the contrary in any enactment, if any arm or organ of the State or any statutory body or statutory agency is empowered to charge and collect any statutory fee or charge or any penalty payable in connection with such fee or charge, it shall—

(a) avail to the members of the public wishing to pay any such statutory fee or charge or any such penalty an easily accessible electronic payment system, device or platform for that purpose;

(b) afford every payer of the same option to pay cash or to effect payment by the use of an electronic payment system or device.

(2) The Minister may make regulations compelling every arm or organ of the State or any statutory body or statutory agency referred to in subsection (1) to comply with this section.".

Amendments to Income Tax Act [Chapter 23:06]

13 Amendment of section 2 of Cap. 23:06

With effect from the 1st January, 2026, section 2 of the Income Tax Act [*Chapter 23:06*] is amended in subsection (1) by the insertion of the following definition—

""qualifying degree of export orientation", as characterising a licensed investor, means that the licensed investor exports not less than eighty *per centum* (80%) of its locally produced goods or services;".

14 Amendment of section 12A of Cap. 23:06

With effect from the 1st January, 2026, section 12A ("Taxation of certain income deemed to be from a source within Zimbabwe") of the Income Tax Act [*Chapter 23:06*] is amended in subsection (2) by the deletion of "in excess of five hundred thousand United States dollars ($500 000, 00) in any year of assessment";

15 Substitution of section 12B of Cap. 23:06

With effect from the 1st January, 2026, section 12B is repealed and substituted by—

"12B Domestic Minimum Top-Up Tax

There shall be charged to tax for the benefit of the Consolidated Revenue Fund a domestic minimum top-up tax in accordance with the Forty-First Schedule.".

16 Amendment of section 15 of Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2026, section 15 ("Deductions allowed in determination of taxable income") of the Income Tax Act [*Chapter 23:06*] is amended—

(a) in subsection (2) by the insertion after paragraph (oo) of the following paragraphs—

"(pp) any amount paid by way of intermediated money transfer tax in the year of assessment by any corporate taxpayer or taxpayer whose taxable income is derived from trade or investment.

No taxpayer may claim a deduction under this paragraph, unless such taxpayer is registered under section 25B or for the purposes of the Thirteenth Schedule, or is a registered operator for the purposes of the Value Added Tax Act [*Chapter 23:12*] and, in the latter case (where required to be so) is fiscalised in terms of section 20 of the Value Added Tax Act [*Chapter 23:12*]; in addition, the claiming taxpayer must be the holder of a Tax Clearance Certificate showing up-to-date compliance with the holder's tax obligations;

(qq) twice the amount of capital allowances calculated in terms of the Fourth Schedule on film production expenditure in the year of assessment incurred by a film production company, on production of proof satisfactory to the Commissioner that—

(i) any person claiming the deduction under this paragraph is incorporated as a film production company in Zimbabwe;

(ii) any expenditure qualifying for deduction under this paragraph was expended for the purpose film production infrastructure in the year of assessment for which it is claimed;

For the purposes of this paragraph a "film production company" means a company that oversees and manages the process of creating films, from development through distribution, through financing, organizing, and coordinating the creative and logistical elements required to produce any film for the enjoyment by the public;

(rr) one hundred *per centum* of the amount of the capital expenditure proved to the Commissioner to have been incurred by a taxpayer who is a BKPO service as defined in section 13A(1) of the charging Act, in the first year of operation of such service;

(ss) one hundred and fifty *per centum* of the amount of the capital expenditure proved to the Commissioner to have been incurred by the taxpayer in the construction, upgrading or refurbishment of any public sports facility in the year of assessment, of which one hundred *per centum* shall be allowed in that year of assessment and fifty *per centum* in the subsequent year of assessment.

For the purposes of this paragraph a "public sports facility is a sports venue (such as a stadium, gymnasium, swimming pool, or playing field) that is owned, funded, or managed by a public authority (a local authority or the State) and made available for use by the general public, either free of charge or at subsidized rates.".

17 Amendment of section 16 of Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2026, section 16 ("Cases in which no deduction shall be made")(1) of the Income Tax Act [*Chapter 23:06*] is amended—

(a) by the repeal of paragraph (d1) and the substitution of—

"(d1) any amount of export tax or digital services withholding tax charged in terms of the Value Added Tax Act [*Chapter 23:12*]; and";

(b) by the repeal of paragraph (o).

18 Amendment of section 19B of Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2026, section 19B ("Meaning of "permanent establishment"")(1) of the Income Tax Act [*Chapter 23:06*] is amended—

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

"(a) it has a fixed place of business there through which the business of the company is wholly or partly carried on for a period or periods of or exceeding in the aggregate ninety days in any twelve-month period commencing or ending in the calendar year concerned;";

(b) by the insertion of the following subsection after subsection(1)—

"(1a) The term "permanent" establishment" also includes within its scope—

(a) the furnishing of services, including consultancy services, by an enterprise through employees or other personnel engaged by the enterprise for such purposes, but only if the activities of that nature continue within a contracting state for a period or periods aggregating more than 90 days in any twelve-month period commencing or ending in the fiscal year concerned;

(b) a building site, a construction assembly or installation project or supervisory activities in connection therewith, with effect from the date of commencement of such project.".

19 New Part inserted after Part IIIA of Cap. 23:06

With effect from the 1st January, 2026, the Income Tax Act [*Chapter 23:06*] is amended by the insertion after Part IIIA of the following Part—

"PART IIIB

REGISTRATION OF PROPRIETORS RENTING SPACE TO PRESUMPTIVE TAXPAYERS

"25F Interpretation in Part IIIB

In this Part—

"land or premises occupied by a tenant liable for presumptive tax" means any land or premises the whole or part of which is occupied by a tenant for the purposes of the tenant's trade, business or occupation for which the tenant is so liable;

"presumptive rental income tax", means the tax payable by registrable proprietors in terms of section 36R of this Act;

"registrable proprietor", means the owner, lessee or sub-lessee of land or premises occupied by a tenant liable for presumptive tax, to whom the tenant pays any consideration by way of rental directly or indirectly to the owner, lessee or sub-lessee;

"tenant liable for presumptive tax" means a tenant of a registrable proprietor who pays any consideration by way of rental directly or indirectly to the registrable proprietor for the conduct of the tenant's trade, business or occupation on or in the rented land or premises.

25G Prescription and registration of registrable proprietors

(1) The Minister may prescribe by notice in a statutory instrument require every registrable proprietor to register as such under this Part within a specified period.

(2) No later than thirty days after the Minister has prescribed the notice referred to in subsection (1), every registrable proprietor shall apply to the Commissioner in such form as may be prescribed for registration as a registrable proprietor.

(3) A person who is not registrable proprietor on the date that the Minister prescribes a notice referred to in subsection (1), but who thereafter becomes a registrable proprietor shall, no later than thirty days after becoming such, apply to the Commissioner in such form as may be prescribed for registration as a registrable proprietor.

(4) Every person who has registered as an registrable proprietor under this section shall, within fourteen days after changing the address of the land or premises to be occupied by a tenant liable for presumptive tax, or ceasing to be an registrable proprietor, notify the Commissioner in such manner and form as may be prescribed of the new address or of the fact of his or her having ceased to be an registrable proprietor, 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 proprietor 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 proprietor 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 proprietor fails, when required in writing to do so by the Commissioner, to furnish the Commissioner with particulars of the appointment of a resident representative under subsection (6) within such period as the Commissioner shall specify, the Commissioner may—

(a) appoint a person to be the non-resident registrable proprietor's resident representative, and such person shall secure registration on the registrable taxpayers behalf under this section and otherwise act as the registrable proprietor's agent for all purposes of this Part; and additionally or alternatively;

(b) cause any work permit held by the registrable proprietor or any director or employee of the registrable proprietor to be forthwith cancelled upon the written request of the Commissioner to the Chief Immigration Officer.

25H Penalties for non-compliance

(1) A natural or legal person shall be guilty of a civil infringement 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 thirty United States dollars 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 ninety days of thirty United States dollars 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.

25I 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 proprietor under this Part or his or her ceasing to be so registered.

25J Tax compliant tenant to pay tax not withheld by registrable proprietor or agent

(1) The Commissioner may require a tax compliant tenant from whose rental presumptive rental income tax has not been paid by the registrable proprietor in terms of paragraph 2 or 3 or recovered in terms of section 77 ("Recovery of tax.") to pay to the Commissioner within thirty days of the date when payment of the rent is due the tax that should have been withheld.

(2) Notwithstanding anything to the contrary in any other law (statutory or non-statutory), but subject to this section, a tenant liable for presumptive tax who pays presumptive rental income tax in accordance with subsection (1) shall not, for that reason alone—

(a) be subjected to any increase or escalation of rental, and if such increase or escalation is provided for under the rental agreement, shall not be subjected to such increase or escalation for a period of three months from the date of the first payment of pays presumptive rental income tax made by the tenant on behalf of the registrable proprietor; and

(b) be subjected to any legal proceedings for (nor shall any court make any order for)—

(i) the eviction or ejectment from the land or premises occupied by a tenant liable for presumptive tax, nor afterwards if the tenant otherwise complies with his or her rental agreement;

(ii) the recovery of possession of the land or premises occupied by a tenant liable for presumptive tax, nor afterwards if the tenant otherwise complies with his or her rental agreement;

(iii) for the payment of damages by such registrable proprietor in respect of the occupation or purported trespass of the land or premises occupied by a tenant liable for presumptive tax, if the tenant otherwise complies with his or her rental agreement.".

20 New section substituted for section 36L of Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2026, section 36L of the Income Tax Act [*Chapter 23:06*] is amended by the repeal of section 36L and the substitution of—

"36L Gaming operators tax and punters tax

There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund—

(a) a gaming operators tax paid by gaming operators; and

(b) a punters tax withheld from the punters by gaming operators;

in accordance with the Thirty-Sixth Schedule at the rate fixed from time to time in the charging Act.".

21 Amendment of section 36P in Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2026, the Income Tax Act [*Chapter 23:06*] is amended in section 36P ("Levy on gross value of lithium, black granite, quarry stones and uncut and uncut dimensional stones)(1) and (3) by the deletion of the words "lithium, black granite, quarry stones and uncut and cut dimensional stone" and the substitution of "coal, lithium, black granite, quarry stones and uncut and cut dimensional stone (whether polished or unpolished)".

22 New section inserted after section 36Q in Cap. 23:06

With effect from the 1st January, 2026, the Income Tax Act [*Chapter 23:06*] is amended by the insertion of the following sections after section 36Q—

"36R Presumptive rental income tax

There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a presumptive rental income tax in accordance with the Thirty-Ninth Schedule at the rate of tax fixed from time to time in the charging Act.".

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

With effect from the 1st January, 2026, section 80A ("Valid tax clearance certificate required before certain trades, services or entities licensed or registered") of the Income Tax Act [*Chapter 23:06*] is amended by the repeal of subsection (5) and the substitution of—

"(5) Subsection (4) shall not apply to new registrants joining the professions but on renewal of licences or practising certificates.

(6) In the event of a dispute between ZIMRA and a person practising one of the professions listed in subsection (4) (a) to (i), resulting in the lodging of an appeal under this Act, ZIMRA shall issue a temporary Tax Clearance Certificate valid for a month, renewable monthly for up to six months if the appeal or further appeal is not determined within the earlier interval, to enable the person to practice their profession pending the determination of the last appeal provided for under this Act.

(7) An employee of a person who is in dispute with ZIMRA as provided in subsection (6) shall not be denied a practising certificate or registration on the grounds of the employer's failure to pay Employees' Tax or to honour any other obligation for which the employer is liable under this Act."

(8) Notwithstanding anything contained in the Road Motor Transportation Act [*Chapter 13:15*], the Inland Waters Shipping Act [*Chapter 13:06*] and the Road Traffic

Act [*Chapter 13:11*], the following 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, or a commercial waterborne vessel, in whose name the goods vehicle, omnibus or taxicab, or commercial waterborne vessel is or is required to be registered in terms of the Road Motor Transportation Act [*Chapter 13:15*], the Inland Waters Shipping Act [*Chapter 13:06*] and Road Traffic Act [Chapter 13:11] shall not be certified, registered or licensed by ZINARA or by the responsible authority under the Inland Waters Shipping Act [*Chapter 13:06*] 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 thirty days before its production.".

24 Amendment of Third Schedule to Cap. 23:06

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

(a) in paragraph 1 by the insertion of the following subparagraphs (subparagraph (i) with effect from the 1st of January, 2025 and subparagraph (j) with effect from the 1st of January, 2026;

"(i) the Mutapa Investment Fund being a Sovereign Wealth Fund established in terms of section 3 of the Sovereign Wealth Fund of Zimbabwe Act [*Chapter 22:20*] (No. 7 of 2014);

(j) Infralink Private Limited (a company wholly owned by the Zimbabwe National Road Administration established in terms of section 6 of the Roads Act [*Chapter 13:18*]), on revenue accruing from toll fees along the Plumtree-Harare-Mutare highway as part of the support for road infrastructure development, on condition that the revenue shall be utilised for road maintenance and rehabilitation.";

(b) with effect form the 1st of January, 2026—

"(k) any pooled pension fund that is registered by the Insurance and Pensions Commission, being a retirement investment vehicle in which the contributions of multiple participants (such as employees and employers) are combined into one large pool of assets that is professionally managed is registered as such under the Collective Investment Scheme Act [*Chapter 24:19*] as a real estate investment trust having as its principal object the owning, managing and investment of real estate;

(l) the Victoria Falls International Financial Centre and its subsidiaries, being entities within the Victoria Falls International Financial Centre, that was declared in terms of section 78B of the Banking Act [*Chapter 24:24*];".

25 Amendment of Ninth Schedule to Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2017, the Ninth Schedule ("Non-Residents Shareholders' Tax") to the Income Tax Act [*Chapter 23:06*] is amended in paragraph 1 ("Interpretation") (1) in the definition of "dividend", by—

(a) the repeal of paragraph (a);

(b) the insertion after paragraph (j) of the following paragraph—

"(l) any amount so distributed by a BKPO service as defined in section 13A(1) of the charging Act;";

26 Amendment of Thirteenth Schedule to Cap. 23:06

(1) With effect from the 1st January, 2026, the Thirteenth Schedule ("Employees' Tax") to the Income Tax Act [*Chapter 23:06*] is amended in paragraph 4 ("Employers to keep records and to furnish returns") by the repeal of subparagraphs (2) and (3) and the substitution of—

"(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 by the Commissioner 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

(iv) such other information as the Commissioner may prescribe,

(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 furnished to the Commissioner every month or within such longer period as the Commissioner may approve:

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 January 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 fourteen days of such cessation or within such longer period as the Commissioner may approve.".

27 Amendment of Fifteenth Schedule to Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2025, the Fifteenth Schedule ("Residents' Shareholders' Tax") to the Income Tax Act [*Chapter 23:06*] is amended in paragraph 1 ("Interpretation") in the definition of "dividend" by the insertion of the following paragraph—

"(i) any amount so distributed by the holder of a special mining lease in which the Government of Zimbabwe holds shares;

(j) any amount so distributed by a company operating exclusively in an international financial services centre declared in terms of section 78A of the Banking Act [*Chapter 24:24*];

(k) any amount so distributed by Mutapa Investment Fund, being a sovereign wealth fund established in terms of section 3 of the Sovereign Wealth Fund of Zimbabwe Act [*Chapter 22:20*] (No. 7 of 2014) to the Government of Zimbabwe.".

28 Amendment of Seventeenth Schedule to Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2025, the Seventeenth Schedule ("Non-Residents' Tax on Fees") to the Income Tax Act [*Chapter*

23:06] is amended in paragraph 1 ("Interpretation")(1) in the definition of "fees" by the insertion of the following paragraph—

"(g) services rendered to a company operating exclusively in an international financial services centre declared in terms of section 78A of the Banking Act [*Chapter 24:24*];

(h) services rendered to the Mutapa Investment Fund, being a sovereign wealth fund established in terms of section 3 of the Soverein Wealth Fund of Zimbabwe Act [*Chapter 22:20*](No. 7 of 2014).".

29 Amendment of Twenty-First Schedule to Cap. 23:06

With effect from the 1st January, 2026, the Twenty-First Schedule ("Residents' Tax on Interest") to the Income Tax Act [*Chapter 23:06*] is amended in paragraph 1 ("Interpretation") in the definition of "interest" by the repeal of subparagraph (i) of paragraph (a).

30 Amendment of Thirtieth Schedule to Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2026, the Thirtieth Schedule ("Intermediated Money Transfer Tax") to the Income Tax Act [*Chapter 23:06*] is amended in paragraph 1 ("Interpretation")(1)—

(a) in the definition of "financial institution" by the insertion of the following paragraph after paragraph (j) —

"(k) a microfinance institution registered or required to be registered as such under the Microfinance Act [*Chapter 24:30*];".

(b) in the definition of ""transaction on which the tax is payable" by the insertion of the following of paragraph—

"(h1) the transfer of capital from a company operating exclusively in an international financial services centre declared in terms of section 78A of the Banking Act [*Chapter 24:24*] to a company outside such centre;

"(h2) the transfer of funds from the Mutapa Investment Fund, being a sovereign wealth fund established in terms of section 3 of the Soverein Wealth Fund of Zimbabwe Act [*Chapter 22:20*](No. 7 of 2014) to the Government of Zimbabwe, to subsidiaries of Mutapa Investment Fund and to entities listed in the Fourth Schedule (vesting of shares of certain companies in Mutapa Investment Fund) of the Soverein Wealth Fund of Zimbabwe Act [*Chapter 22:20*](No. 7 of 2014).".

31 Amendment of Thirty-Fifth Schedule to Cap. 23:06

With effect from the 1st January, 2026, the Thirty- Fifth Schedule ("Transfer Pricing") to the Income Tax Act [*Chapter 23:06*] is amended in paragraph 4 ("Transfer pricing") (5) by the insertion of the following paragraph after paragraph (e)—

"(f) in respect of the pricing of minerals exported from Zimbabwe, the Quoted Price Method which adopts the reference price prevailing at the active market.

For the purposes of subsection (f), "reference price" means—

(i) the monthly average London Metal Exchange cash price; or

(ii) the monthly average Fastmarkets Metal Bulletin cash price to the extent that the base metals or precious metal prices are not quoted on the London Metal Exchange; or

(iii) the monthly average Shanghai Metals Market cash price to the extent that the base metals or precious metal prices are not quoted on the London Metal Exchange or Fastmarkets Metal Bulletin; or

(iv) the monthly average cash price of any other metal exchange market as approved by the Commissioner to the extent that the base metal price or precious metal price is not quoted on the London Metal Exchange or Fastmarkets Metal Bulletin; or Shanghai Metals Market; or

(v) the average monthly London Metal Exchange cash price, Fastmarkets Metal Bulletin cash price; or Shanghai Metals Market cash price, average monthly other metal market exchange cash price approved by the Commissioner, less any discounts on account of proof or low quality or grade.".

32 New Schedule substituted for Thirty-Sixth Schedule in Cap. 23:06

With effect from the year of assessment beginning on the 1st January, 2025, the Income Tax Act [Chapter 23:06] is amended by the repeal of the Thirty-Sixth Schedule and the substitution of the following Schedules—

"THIRTY-SIXTH SCHEDULE (*Section 36L*)

GAMING OPERATORS TAX AND PUNTERS TAX

Interpretation

1. (1) In this Schedule—

"aggregate gross winnings", in relation to any single punter, means the total money won by the punter and paid out by the gaming operator on bets placed during any month for which the gaming operator must account under this Schedule for his or her gross takings, before the deduction of the gaming operator's total commissions, fees or charges charged to that punter for that month;

"aggregate winnings" means aggregate gross winnings net of the gaming operator's commission, fee or charge;

"betting platform" means any physical or virtual location (wherever its domain name is registered) at or through which a bet may be placed and payouts on winning bets made;

"bookmaker" means a person who—

(a) is licensed or required to be licensed as such in terms of the Betting and Totalizator Control Act [*Chapter 10:02*]; or

(b) hosts a betting platform or who on behalf of a host of a betting platform receives bets and pays out winning bets;

"casino operator" means a person who—

(a) is licensed or required to be licensed to operate a casino in terms of the Lotteries and Gaming Act [*Chapter 10:02*] (No. 26 of 1998); or

(b) hosts a virtual casino or who on behalf of a host of a virtual lottery receives bets and pays out winning bets;

"gaming operator", a bookmaker (whether or not licensed under Betting and Totalizator Control Act [*Chapter 10:02*]), or a casino or lottery operator (whether or not licensed under Lotteries and Gaming Act [*Chapter 10:02*] (No. 26 of 1998));

"gross takings", in relation to—

(a) a bookmaker, means the total money earned by the bookmaker from betting with members of the public before paying out on any bet;

(b) a casino operator means the total money earned by the casino operator from betting with members of the public before paying out on any bet;

(c) a lottery operator means the total money earned by the casino operator from ticket sales to members of the public before paying out on any winning ticket;

"gross winnings", in relation to a punter, means the total money won by the punter and paid out by the gaming operator on any single bet or ticket, before the deduction of the gaming operator's commission, fee or charge;

"lottery operator" means a person who—

(a) is licensed or required to be licensed to conduct a lottery in terms of the Lotteries and Gaming Act [*Chapter 10:02*] (No. 26 of 1998); or

(b) hosts a virtual lottery or who on behalf of a host of a virtual lottery receives tickets and pays out winning tickets;

"punter" means a person who places a bet with or through a bookmaker or casino operator, or buys a ticket for a lottery through a lottery operator;

"virtual casino" (also called an online casino or internet casino) is an electronic platform for casino as defined in the Lotteries and Gaming Act [*Chapter 10:02*] (No. 26 of 1998), where punters can play traditional casino games—such as slots, poker, blackjack, and roulette—*via* the internet;

"virtual lottery" (or online lottery) is an electronic platform for lottery as defined in the Lotteries and Gaming Act [*Chapter 10:02*] (No. 26 of 1998), which virtualises all or any of the following, namely, the buying of tickets online or the participation in draws conducted electronically

"winnings", means gross winnings net of the gaming operator's commission, fee or charge.

(2) Any term defined in the Lotteries and Gaming Act [*Chapter 10:02*] (No. 26 of 1998), or the Betting and Totalizator Control Act [*Chapter 10:02*] shall bear the same meaning when used in this Schedule.

Gaming operators to pay gaming operators tax

2. (1) Every gaming operator shall pay twenty *per centum* of his or her gross takings in every month to the Commissioner no later than the tenth day of the month following the month in which the gaming operator collected those takings, or within such further time as the Commissioner may for good cause allow. Payment of gaming operators tax shall be treated as a final tax.

(2) The gaming operator shall provide the Commissioner with a return no later than the fifth day of the month following the month in which the gaming operator collected those takings, or within such further time as the Commissioner may for good cause shown allow, in a form approved by the Commissioner, showing—

(a) the amount of the gaming operators tax; and

(b) the amount of the gross takings from which the tax is paid.

Gaming operators to withhold punters tax from gross winnings

3. (1) Every gaming operator shall withhold shall pay twenty-five *per centum* of the punter's gross winnings or aggregate gross winnings (as the case may be) from which the punter is paid out the winnings by the gaming operator with whom the punter placed the bet or bets or bought the ticket concerned; for which purpose, the gaming operator concerned shall, no later than the tenth day of the month following

the month in which the gaming operator paid out those winnings or aggregate winnings (or within such further time as the Commissioner may for good cause allow), pay to the Commissioner the punters tax due from such punter.

(2) The gaming operator shall provide the Commissioner with a return in respect of each punter the gaming operator paid out, no later than the fifth day of the month following the month in which the gaming operator collected those takings, or within such further time as the Commissioner may for good cause shown allow, in a form approved by the Commissioner, showing—

(a) the amount of the punters tax; and

(b) the amount of the gross winnings from which the tax is paid.

Penalty for non-payment of tax

4. (1) Subject to subparagraph (2), a gaming operator who fails pay to the Commissioner any amount of gaming operator tax or punters tax as provided in paragraph 2 or 3 shall be liable for the payment to the Commissioner, not later than the date on which payment should have been made in terms of paragraph 2 of—

(a) the amount of gaming operators tax or punters tax which he or she failed to pay to the Commissioner; and

(b) a further amount equal to such gaming operators tax or punters tax.

(2) The amounts for the payment of which a gaming operator 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 in any court of competent jurisdiction.

(3) The Commissioner, if he or she is satisfied in any particular case that the failure to pay to him or her gaming operators tax or punters 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

5. If it is proved to the satisfaction of the Commissioner that any gaming operator has been charged with gaming operators tax or punters tax in excess of the amount properly chargeable to him or her 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 six years of the date of payment of such tax.".

33 New Schedules inserted after Thirty-Eighth Schedule in Cap. 23:06

With effect from the 1st January, 2026, the Income Tax Act [*Chapter 23:06*] is amended by the insertion of the following Schedule after the Thirty-Eighth Schedule—

THIRTY-NINTH SCHEDULE (*Section 25F, 25G, 25H, 25I, and 25J*)

PRESUMPTIVE RENTAL INCOME TAX

Interpretation

1. In this Schedule, any word or phrase to which a meaning has been assigned in Part IIIB shall bear the same meaning when used in this Schedule.

Registrable proprietors to pay tax

2. Every registrable proprietor shall pay presumptive rental income tax from the rental paid to him or her by a tenant and shall pay the amount to the Commissioner no later than the tenth day of the month following the month in which the presumptive rental income tax was due, or within such further time as the Commissioner may for good cause allow.

Agents to withhold tax not deducted by registrable proprietor

3. (1) Every agent who receives on behalf of a registrable proprietor rental from which presumptive rental income tax has not been paid by the registrable proprietor, shall withhold presumptive rental income tax from that rental and shall pay the amount withheld to the Commissioner no later than the tenth day of the month following the month in which the presumptive rental income tax was withheld, or within such further time as the Commissioner may for good cause allow.

(2) Where presumptive rental income tax is withheld in terms of subparagraph (1) the agent shall provide the payee with a certificate in the form approved by the Commissioner, showing—

(a) the name of the registrable proprietor; and

(b) the amount of the rental; and

(c) the amount of the presumptive rental income tax withheld.

(3) For the purpose of this paragraph, a person shall be deemed to be the agent of a registrable proprietor and to have received rental on behalf of that registrable proprietor if—

(a) that person's address appears in the payer's records as the address of the registrable proprietor; and

(b) the warrant or cheque in payment of the rental is delivered at that person's address.

(4) For the purposes of this paragraph in the case of a trust which is ordinarily resident in Zimbabwe and which receives rental to the whole or part of which a beneficiary is entitled in terms of the trust or rental which in terms of section 10 is deemed to accrue to a person—

(a) a trustee of that trust shall be deemed to be an agent in respect of such rental; and

(b) any such beneficiary or person shall be deemed to be a registrable proprietor in respect of such rental or part thereof.

(5) Any person deemed to be the agent of a registrable proprietor in terms of subparagraph (3) or (4) shall, as regards the registrable proprietor and in respect of any income received by or accruing to or in favour of the registrable proprietor, have and exercise all the powers, duties and responsibilities of an agent for a taxpayer absent from Zimbabwe.

Returns to be furnished

4. Payment of the presumptive rental income tax by a registrable proprietor or an agent or tenant shall be supported by a return in the form prescribed by the Commissioner. The return shall be submitted to the Commissioner no later than the fifth day of the month following the month in which the presumptive rental income tax was withheld or such further period as the Commissioner may for good cause allow.

Penalty for non-payment of tax

5. (1) Subject to subparagraph (2), a registrable proprietor or an agent in Zimbabwe who fails to withhold or pay to the Commissioner any amount of presumptive rental income 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 presumptive rental income tax which the registrable proprietor or the agent, as the case may be, failed to pay to the Commissioner; and

(b) a further amount equal to fifteen *per centum* of such presumptive rental income tax.

(2) The Commissioner, if he is satisfied in any particular case that the failure to pay to him or her presumptive rental income 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 on interest

6. If it is proved to the satisfaction of the Commissioner that any person has been charged with presumptive rental income tax 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 three years of the date of payment of such tax.

FORTIETH SCHEDULE (*Section 12B*)

DOMESTIC MINIMUM TOP-UP TAX

Scope of Domestic Minimum Top-Up Tax

1. (1) This Schedule applies to persons that are Members of an MNE Group that has annual revenue of EUR 750 million or more in the Consolidated Financial Statements of the Ultimate Parent Entity in at least two of the four Fiscal Years immediately preceding the tested Fiscal Year.

(2) If one or more of the Fiscal Years of the MNE Group taken into account for purposes of this schedule is of a period other than 12 months, for each of those Fiscal Years the EUR 750 million threshold is adjusted proportionally to correspond with the length of the relevant Fiscal Year.

Charging Provision

2. (1) The Combined Effective Tax Rate shall be determined in respect of all Covered Persons for each Fiscal Year.

(2) Where the Combined Effective Tax Rate is less than 15% for the Fiscal Year, the Covered Persons shall pay a tax known as the Top-Up Tax as set out in this law for the Fiscal Year.

Computation of a Covered Person's Income or Loss

3. For the purposes of the Top-Up Tax, the Income or Loss of a Covered Person is the Financial Accounting Net Income or Loss determined for the Covered Person for the Fiscal Year adjusted for the items described in the Regulations.

Adjusted Covered Taxes

4. (1) The Adjusted Covered Taxes of a Covered Person for the Fiscal Year shall be equal to the current tax expense accrued in that person's Financial Accounting Net Income or Loss with respect to Covered Taxes for the Fiscal Year adjusted for the items described in the Regulations.

(2) No amount of Covered Taxes may be taken into account more than once.
Determination of the Combined Effective Tax Rate and Top-Up Tax.

5. (1) The Combined Effective Tax Rate is equal to the sum of The Covered Persons' Adjusted Covered Taxes (as determined by subparagraph 1 of paragraph 4) divided by the sum of The Covered Persons' Net Income for the Fiscal Year, multiplied by 100. The Net Income is the sum of The Covered Persons' Net Income determined under paragraph 3 for the Fiscal Year after deducting the sum of the losses of Covered Persons under paragraph 3. The Combined Effective Tax Rate shall be calculated for each Fiscal Year.

$$\text{Combined ETR} = \frac{\text{Sum of Adjusted Covered Taxes} \times 100}{\text{Sum of Adjusted Net Income}}$$

(2) The Top-Up Tax Percentage for a Fiscal Year shall be the positive percentage point difference, if any, computed in accordance with the following formula:

Top Up Tax Percentage = 15% - Combined Effective Tax Rate

(3) The Combined Top-Up Tax for The Covered Persons for a Fiscal Year is equal to the positive amount, if any, computed in accordance with the following formula:

Top-Up Tax Percentage x Excess Profit

(4) The Excess Profit for The Covered Persons in a Fiscal Year is the positive amount, if any, computed in accordance with the following formula:

Excess Profit = Net Income – Substance based Income Exclusion

Substance based Income Exclusion: Refers to;

- 5% of the Eligible Payroll costs plus
- 5% of the net book value of Eligible Tangible Assets,

Eligible payroll costs and Eligible Tangible Assets shall be determined under the Regulations for all The Covered Persons for the Fiscal Year (if any).

(5) Any amount of incremental Top-Up Tax resulting from a recalculation shall be treated as an additional Top-Up Tax arising in the current Fiscal Year. Such incremental Top-Up Tax is paid in addition to the Top-Up Tax owed under subparagraph 2 of paragraph 5.

(6) An additional Top-Up Tax shall be charged if—

(a) the sum of The Covered Persons' Net Income for the Fiscal Year is zero or results in a net loss; and

(b) the sum of the Adjusted Covered Taxes for the Covered Persons are less than zero; and

(c) the sum of the Adjusted Covered Taxes for the Covered Persons are less than the result of multiplying the loss by 15% (the Expected Adjusted Covered Taxes Amount).

(7) The additional Top-Up tax under subparagraph 6 of paragraph 5 is equal to the difference between the Adjusted Covered Taxes for the Covered Person and the Expected Adjusted Covered Taxes Amount.

(8) Notwithstanding subparagraph 2 of paragraph 5, where the Top-up Tax Percentage exceeds 15% due to Adjusted Covered taxes being below zero (Negative Adjusted Covered Taxes), the Covered Persons shall exclude the Negative Adjusted Covered Taxes from the computation of the Combined Effective Tax Rate under subparagraph 9 of paragraph 5 and the Negative Adjusted Covered Taxes shall be carried forward and subparagraph 9 of paragraph 5 and subparagraph 10 of paragraph 5 shall apply to the Covered Persons.

(9) In each subsequent Fiscal Year in which the Covered Persons have positive income as calculated under paragraph 3 and Adjusted Covered Taxes, the Covered Persons shall decrease (but not below zero) the aggregate Adjusted Covered Taxes by the remaining balance of the Negative Adjusted Covered Taxes carry-forward. Then, the Covered Persons shall reduce the balance of the Negative Adjusted Covered Taxes carry-forward by the same amount.

(10) Where an MNE Group disposes of one or more Members in Zimbabwe in which subparagraph 8 of paragraph 5 has applied, the Negative Adjusted Covered Taxes carry-forward shall remain an attribute of the transferor group.

(11) The Top-Up Tax required by subparagraph 1 of paragraph 5 to subparagraph 10 of paragraph 5 may be calculated in accordance with an election permitted in the Regulations.

Allocation of Top-Up Tax

6. (1) The Top-Up Tax liability of a Covered Person for a Fiscal Year is determined as follows.

(2) A Covered Person with no Net Income for the Fiscal Year is not liable to Top-Up Tax.

(3) The Effective Tax Rate of each Covered Person must be determined for the Fiscal Year, as the Covered Person's Adjusted Covered Taxes as determined by paragraph 3 divided by the Covered Person's Net Income as determined by paragraph 3.

(4) A Covered Person with an Effective Tax Rate pursuant to [subparagraph 3 of paragraph 6] equal to or greater than 15% is not liable to Top-Up Tax.

(5) The Top-Up Tax for all Other Covered Persons not referred to in [subparagraph 2 of paragraph 6 or subparagraph 4 of paragraph 6] is determined using the following formula:

Combined Top-Up Tax × (Other Covered Person's Top-Up Tax ÷ Sum of Other Covered Persons' Top-Up Tax)

Where:

(a) other Covered Person's Top-Up Tax is the person's Top-Up Tax percentage multiplied by the excess profit of that person.

(b) excess profit of a Covered Person is the Net Income of that person minus the Substance-Based Income Exclusion for that Covered Person for the Fiscal Year (if any)

(c) sum of Other Covered Persons' Top-Up Tax is the aggregation of the Top-Up Tax for all Covered Persons as computed in accordance with a) above.

(6) Notwithstanding subparagraph 2 of paragraph 6 to subparagraph 5 of paragraph 6, Covered Persons may elect the manner in which the Top-Up Tax liability is allocated amongst the Covered Persons for the Fiscal Year.

(7) All Covered Persons are jointly and severally liable until the full amount of the Top-Up Tax is paid.

(8) Any equalisation payments made between The Covered Persons for the purpose of allocating the payment of this Top-Up Tax shall be disregarded for the purposes of this Act.

Corporate Restructurings

7. (1) For the purposes of paragraph 1—

(a) if two or more Groups merge to form a single Group in any of the four Fiscal Years prior to the tested Fiscal Year, then the consolidated revenue threshold of the MNE Group for any Fiscal Year prior to the Merger is deemed to be met for that year if the sum of the revenue included in each of their Consolidated Financial Statements for that year is equal to or greater than EUR 750 million;

(b) where an Entity that is not a member of any Group (target) merges with an Entity or Group (acquirer) in the tested Fiscal Year and the target or acquirer does not have Consolidated Financial Statements in any of the four Fiscal Years prior to the tested Fiscal Year because it was not a member of any Group in that year, the consolidated revenue threshold of the MNE Group is deemed to be met for that year if the sum of the revenue included in each of their Financial Statements or Consolidated Financial Statements for that year is equal to or greater than EUR 750 million;

(c) where a single MNE Group within the scope of these Top-Up Tax rules demerges into two or more Groups (each a demerged Group), the consolidated revenue threshold is deemed to be met by a demerged Group:

(i) with respect to the first tested Fiscal Year ending after the Demerger, if the demerged Group has annual revenues of EUR 750 million or more in that year;

(ii) with respect to the second to fourth tested Fiscal Years ending after the demerger, if the demerged Group has annual revenues of EUR 750 million.

(2) The Minister shall prescribe Regulations relating to acquisition and disposition of assets and liabilities of a Member and the associated guidance.

Administrative Provisions

8. (1) The Covered Persons must designate one person resident in Zimbabwe to file the information return for this Top-Up Tax (the Designated Entity) in a form specified by the Commissioner. The Covered Persons may designate a different person to be the Designated Entity by filing a new designation.

(2) The Covered Persons must provide to the Designated Entity all information necessary for the correct application of this Top-Up Tax.

(3) Notwithstanding subparagraph 1 of paragraph 8, all Covered Persons must file the information return if any of the following occurs:

(a) no designation is made in accordance with subparagraph 1 of paragraph 8; or

(b) the Designated Entity is no longer a Member of the same Group as the Covered Persons and no new designation has been filed; or

(c) the Designated Entity fails to comply with the obligation to file the information return.

(4) A Covered Person is not obligated to file the information return under this [subparagraph 1 of paragraph 8] if a GloBE Information Return has been filed by either—

(a) the Ultimate Parent Entity located in a jurisdiction that has a Qualifying Competent Authority Agreement in effect with Zimbabwe for the Reporting Fiscal Year; or

(b) the Designated Filing Entity is located in a jurisdiction that has a Qualifying Competent Authority Agreement in effect with Zimbabwe for the Reporting Fiscal Year.

(5) Where subparagraph 4 of paragraph 8 applies, the Covered Persons or one Designated Entity representing the Covered Persons shall notify the Commissioner of the identity of the Entity that is filing the GloBE Information Return and the jurisdiction in which it is filing.

(6) All powers and procedures of the Commissioner under the Income Tax Act apply for the purposes of ensuring compliance with this Top-Up Tax.

(7) The information return must be filed together with the Income Tax returns on due dates notified by the Commissioner.

(8) Payment of the Top-Up Tax must be made in the currency and manner prescribed by the Charging Act, for the Fiscal Year.

(9) An administrative penalty in terms of the penalty-loading model may be charged for each failure to comply with this subparagraph 1 of paragraph 5, for each day or part thereof that the failure remains uncorrected.

(10) If the Covered Persons do not comply with any provision of this Top-Up Tax, the Commissioner may estimate the Top-Up Tax due and assess the full amount as a tax due by each and every Covered Person.

Power to Issue Regulations

9. The Minister may issue regulations to provide further detail for the application and interpretation of provisions of this Top-up Tax.

Interpretation of terms

10. In this Schedule—

"consolidated financial statements" means—

(a) the financial statements prepared by an Entity in accordance with an Acceptable Financial Accounting Standard, in which the assets, liabilities, income, expenses and cash flows of that Entity and the Entities in which it has a Controlling Interest are presented as those of a single economic unit;

(b) where an Entity meets the definition of a Group, the financial statements of the Entity that are prepared in accordance with an Acceptable Financial Accounting Standard;

(c) where the Ultimate Parent Entity has financial statements described in paragraph (a) or (b) that are not prepared in accordance with an Acceptable Financial Accounting Standard, the financial statements are those that have been prepared subject to adjustments to prevent any Material Competitive Distortions; and

(d) where the Ultimate Parent Entity does not prepare financial statements described in the paragraphs above, the Consolidated Financial Statements of the Ultimate Parent Entity are those that would have been prepared if such Entity were required to prepare such statements in accordance with an Authorised Financial Accounting Standard that is either an Acceptable Financial Accounting Standard or another financial accounting standard that is adjusted to prevent any Material Competitive Distortions.

"Covered Persons" means Entities that are—

(a) members to whom paragraph 1 applies; and

(b) located in Zimbabwe or is the Ultimate Parent Entity of the MNE Group and is created in Zimbabwe]; and

(c) members of the same MNE Group or is a person that is a Joint Venture of the Member's UPE or a Joint Venture Subsidiary; and

(d) not Excluded Persons;

"Covered Taxes" means—

(a) taxes recorded in the financial accounts of a Covered Person with respect to its income or profits or its share of the income or profits of a Member in which it owns an Ownership Interest;

(b) taxes imposed in lieu of a generally applicable corporate income tax;

but does not include any amount of—

(c) top-Up Tax accrued by a Covered Person under the provisions of this law; or

(d) taxes paid by an insurance company in respect of returns to policy-holders; or

(e) tax expense included in the financial accounts of a direct or indirect Owner under a Controlled Foreign Company Tax Regime on their share of the Covered Person's income; or

(f) tax expense included in the financial accounts of a Main Entity that is with respect to the Income or Loss of a Permanent Establishment; or

(g) tax expense included in the financial accounts of an Owner of a Hybrid Entity or Reverse Hybrid Entity that is with respect to the income of the Hybrid Entity or Reverse Hybrid Entity; or

(h) tax expense included in the financial accounts of an Owner of a Covered Person that is with respect to distributions from the Covered Person, other than a withholding tax imposed by Zimbabwe;

"Designated Filing Entity" means the Constituent Entity, other the Ultimate Parent Entity, that has been appointed by the MNE Group to file the GloBE Information Return on behalf of the MNE Group;

"Entity" means—

(a) any legal person (other than a natural person); or

(b) an arrangement that prepares separate financial accounts, such as a partnership or trust;

"Excluded Person" is—

(a) a Governmental Entity;

(b) an International Organisation;

(c) a Non-profit Organisation;

(d) a Pension Fund;

(e) an Investment Fund;

(f) an Insurance Investment Entity;

(g) a Real Estate Investment Vehicle;

(h) a Securitisation Entity; or

(i) an Entity—

(i) where at least 95% of the value of the Entity is owned (directly or through a chain of Excluded Entities) by one or more Entities referred to in sub-paragraphs (a) to (h) (other than a Pension Services Entity) and where that Entity—

A. operates exclusively or almost exclusively to hold assets or invest funds for the benefit of the Excluded Person or Persons; and/or

B. only carries out activities that are ancillary to those carried out by the Excluded Person or Persons. The activities of an Entity where 100% of the value is owned directly or indirectly by one or more Non-profit Organisations will be deemed to be ancillary if the aggregate revenue of all Group Entities (excluding revenue derived by the Non-profit Organisation or by an Entity that is an Excluded Entity under subparagraph (i(a)(i) or paragraph (e)(b), or that would be an Excluded Entity under this subparagraph (i)(a)(ii) but for the application of this test), is less than—

I. EUR 750 million (adjusted as provided under paragraph 2 if the Fiscal Year is a period other than 12 months), or

II. 25% of the revenue of the MNE Group (if lower) for the Fiscal Period; or

(ii) where at least 85% of the value of the Entity is owned (directly or through a chain of Excluded Persons), by one or more Excluded Persons referred to in sub-paragraphs (a)–(i) of the definition of Excluded Persons (other than a Pension Services Entity) provided that substantially all of the Entity's income is Excluded Dividends or Excluded Equity Gain or Loss that is excluded from the computation of Income or Loss in accordance with paragraph 3.

"Fiscal Year" means an accounting period with respect to which the Ultimate Parent Entity of the MNE Group prepares its Consolidated Financial Statements. In the case of Consolidated Financial Statements as defined in paragraph (d) of its definition, Fiscal Year means the calendar year.

"GloBE Information Return" means a standardised return prepared in accordance with the guidance released by the Inclusive Framework referred to as Tax Challenges Arising from the Digitalisation of the Economy, in the context of OECD Inclusive Framework's Global Anti Base Erosion (GloBE) rules, and the amendments thereto;

"Group" means—

(a) a collection of Entities that are related through ownership or control such that the assets, liabilities, income, expenses and cash flows of those Entities:

(i) are included in the Consolidated Financial Statements of the Ultimate Parent Entity; or

(ii) are excluded from the Consolidated Financial Statements of the Ultimate Parent Entity solely on size or materiality grounds, or on the grounds that the Entity is held for sale; or

(b) an Entity that is located in one jurisdiction and has one or more Permanent Establishments located in other jurisdictions provided that the Entity is not a part of another Group described in the previous paragraph.

"located" means—

(a) in respect of an Entity that is tax resident based on its place of management, place of creation or similar criteria, it is located in that jurisdiction; or

(b) in respect of an Entity that has no tax residence, it is located in the jurisdiction in which it was created;

(c) in respect of a Flow-Through Entity that is the Ultimate Parent Entity, it is located in the jurisdiction in which it was created; or

(d) in respect of a Flow-Through Entity that is not the Ultimate Parent Entity, it is not located in any jurisdiction and is treated as stateless; or

(e) in respect of a Permanent Establishment—

(i) if it is described in paragraph (a) of the definition of Permanent Establishment, it is located in the jurisdiction where it is treated as a permanent establishment and is taxed under the applicable Tax Treaty in force;

(ii) if it is described in paragraph (b) of the definition of Permanent Establishment, it is located in the jurisdiction where it is subject to net basis taxation based on its business presence;

(iii) if it is described in paragraph (c) of the definition of Permanent Establishment, it is located in the jurisdiction where it is situated; and

(iv) if it is described in paragraph (d) of the definition of Permanent Establishment, it is considered as a stateless Permanent Establishment.

(f) in respect of an Entity referred to in paragraph (a) that is located in more than one jurisdiction, then it is located in the jurisdiction that is determined by applying the terms of an applicable Tax Treaty, or if there is no applicable Tax Treaty or such treaty does not determine that the Entity is located in only one jurisdiction, then the location is determined as being:

(i) the jurisdiction in which the Entity paid the greater amount of Covered Taxes for the Fiscal Year, without considering the ones paid in accordance with a Controlled Foreign Company Tax Regime;

(ii) if the amount of Covered Taxes paid in both jurisdictions is the same or zero, it shall be located in the jurisdiction where it has the greater amount of Substance-based Income Exclusion computed on an entity basis in accordance with subparagraph 1 of paragraph 4; or

(iii) if the amount of the Substance-based Income Exclusion in both jurisdictions is the same or zero, then it is considered stateless.

(g) where an Entity has changed its location during the Fiscal Year, it shall be located in the jurisdiction where it was located at the beginning of that year.

"Main Entity", in respect of a Permanent Establishment, is the Entity that includes the Financial Accounting Net Income or Loss of the Permanent Establishment in its financial statements.

"Member" means—

(a) any Entity that is included in a Group; and

(b) any Permanent Establishment of a Main Entity that is within paragraph (a). A Permanent Establishment that is a Member under paragraph (b) above shall be treated as separate from the Main Entity and any other Permanent Establishment of that Main Entity;

"Minimum Rate" means fifteen percent (15%);

"MNE Group" means any Group that includes at least one Entity or Permanent Establishment that is not located in the jurisdiction of the Ultimate Parent Entity;

"Negative Adjusted Covered Taxes" for a Fiscal Year in which the MNE Group has a Top-up Tax Percentage for a jurisdiction that exceeds the Minimum Rate due to negative Adjusted Covered Taxes, is equal to the amount of negative Adjusted Covered Taxes;

"Qualifying Competent Authority Agreement" means a bilateral or multilateral agreement or arrangement between Competent Authorities that provides for the automatic exchange of annual GloBE Information Returns;

"Qualified IIR" means a set of rules equivalent to Article 2.1 ("Application of the IIR") to Article 2.3 ("IIR Offset Mechanism") of the OECD Inclusive Framework Global Base Erosion (GloBE) Rules (including any provisions of the GloBE Rules associated with those articles) that are included in the domestic law of a jurisdiction and that are implemented and administered in a way that is consistent with the outcomes provided for under the GloBE Rules and the Commentary provided that such jurisdiction does not provide any benefits that are related to such rules. It includes any set of rules agreed as such by the OECD Inclusive Framework.

"Qualified UTPR" means a set of rules equivalent to Article 2.4 ("Application of the UTPR") to Article 2.6 ("Allocation of Top-Up Tax for the UTPR") of the GloBE Rules (including any provisions of the GloBE Rules associated with those articles) that are included in the domestic law of a jurisdiction and that are implemented and administered in a way that is consistent with the outcomes provided for under the GloBE Rules and the Commentary provided that such jurisdiction does not provide any benefits that are related to such rules. It includes any set of rules agreed as such by the OECD Inclusive Framework;

"Reporting Fiscal Year" means the Fiscal Year that is the subject of the GloBE Information Return;

"Tax" means a compulsory unrequited payment to General Government;

"Ultimate Parent Entity (UPE)" means either—

(a) an Entity that—

(i) owns directly or indirectly a Controlling Interest in any other Entity; and

(ii) is not owned, with a Controlling Interest, directly or indirectly by another Entity; or

(b) the Main Entity of a Group that is within paragraph (b) of the definition of Group, but does not include a Governmental Entity to which paragraph (b)(ii) of the definition of Governmental Entity, as defined in the Regulations applies, which is not considered part of an MNE Group.".

PART III

VALUE ADDED TAX

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

34 Amendment of Schedule to Chapter IV of Cap. 23:04

With effect from the 1st January, 2026, the Schedule to Chapter IV of the Finance Act [*Chapter 23:04*] is amended in Part I ("General Rate of Value Added Tax") by the deletion of "fifteen *per centum*" and the substitution of "fifteen comma five *per centum*".

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

35 Amendment of section 2 of Cap. 23:12

Section 2 ("Interpretation")(1) of the Value Added Tax Act [*Chapter 23:12*] is amended—

(a) by the repeal of the definition of "tax invoice" and the substitution of—

"tax invoice" means a fiscal tax invoice provided by a registered operator, and printed by a fiscal device used by a registered operator, which has verifiable transaction details same as transmitted to the ZIMRA Fiscalisation Data Management System (FDMS) and display valid upon verification on the FDMS validation portal and compliant with the requirements of section twenty (20) of the VAT Act;";

(b) by the insertion of the following definition—

"fiscal device" or "electronic fiscal device" means an electronic device, machine, application, system or software that is compatible with the requirements of Fiscalisation Data Management System (FDMS), approved by the Commissioner for the purposes of recording taxpayer's business transactions and transmitting to the FDMS. These includes any Electronic Tax Register, Electronic Fiscal Printer, Electronic Signature Device, Fuel Fiscal Device and/or Virtual Fiscal Device/Software Application;".

36 Amendment of section 7 of Cap. 23:12

With effect from the 1st January, 2026, section 7 ("Certain supplies of goods or services deemed to be made or not made") is amended by the insertion of the following proviso to subsection (13)—

"Provided that where the supplies are zero-rated in terms of section 10 of this Act or exempt in terms of section 11 and are supplied as part of entertainment as defined in section 2 of this Act, the supplies shall be treated as a single supply and chargeable to tax at the rate applicable under section 6(1)(a).".

37 Amendment of section 10 in Cap. 23:12

With effect from the 1st January, 2026, the Value Added Tax Act [*Chapter 23:12*] is amended in section 10 ("Zero rating")—

(a) in subsection (1)—

(i) by the repeal of paragraph (e) and the substitution of—

"(e) the supply of a trade or part of a trade which is capable of separate operation, to the Public Service Pension Fund, where the supply is on a going concern basis;".

(ii) by the repeal of paragraphs (g) and (j);

(b) in subsection (2) by the repeal of paragraph (q).

38 Amendment of section 11 in Cap. 23:12

With effect from the 1st January, 2026, the Value Added Tax Act [*Chapter 23:12*] is amended in section 11 ("Exempt supplies") by the insertion of the following paragraphs after paragraph (j)—

"(k) the supply is of such agricultural goods or services as are prescribed in regulations made in terms of section 78, but subject to such conditions as may be prescribed therein; or

(l) the goods consist of medicines or allied substances within the meaning of the Medicines and Allied Substances Control Act [*Chapter 15:05*] which are prescribed for the purposes of this subsection;

(m) provision of electrification services to rural communities through funding from the Rural Electrification Fund established in terms of the Rural Electrification Fund Act [*Chapter 13:10*].".

39 Amendment of section 12B in Cap. 23:12

With effect from the 1st January, 2026, the Value Added Tax Act [*Chapter 23:12*] is amended in section 12B ("Collection of tax on exportation of unbeneficiated lithium, determination of value thereof") by the repeal of subsection (1) and the substitution of—

"(1) Notwithstanding section 10(1), tax at the rate—

(a) of ten *per centum* on the gross fair market value of lithium ore shall be levied on a supplier of such lithium for export from Zimbabwe, on the basis of the value of realisable lithium sulphate therefrom;

(b) of ten *per centum* on the gross fair market value of lithium concentrate shall be levied on a supplier of such lithium for export from Zimbabwe, on the basis of the value of realisable lithium sulphate therefrom;

(c) of zero *per centum* on the gross fair market value of lithium sulphate shall be levied on a supplier of such lithium for export from Zimbabwe.".

40 Amendment of section 12D in Cap. 23:12

With effect from the 1st January, 2026, and for a period of twelve months ending on the 31st December, 2025, the Value Added Tax Act [*Chapter 23:12*] is amended in section 12D ("Collection of tax on exportation of unbeneficiated platinum, determination of value thereof")(2) by the repeal of paragraph (a) and the substitution of—

"(a) if the supplier has built a plant in Zimbabwe capable of producing platinum group concentrates, and has been approved by the Minister responsible for finance in consultation with the Minister responsible for mines, tax at the rate of ten *per centum* on the value of unbeneficiated platinum;".

41 Amendment of section 12E of Cap. 23:12

With effect from the 1st January, 2026, the Value Added Tax Act [*Chapter 23:12*] is amended by the in section 12E ("Collection of tax on exportation of uncut and cut dimensional stone determination of value thereof") (1)(a) by the deletion of "uncut dimensional stone" and the substitution of "cut and polished dimensional stones realised from such exports".

42 New sections inserted in Cap. 23:12

With effect from the 1st January, 2026, the Value Added Tax Act [*Chapter 23:12*] is amended by the insertion of the following sections after section 12H—

"12I Collection of tax on exportation of unbeneficiated chrome, determination of value thereof

(1) Notwithstanding section 10(1), tax at the rate of ten *per centum* on the value of unbeneficiated chrome shall be levied on a supplier of such chrome for export from Zimbabwe.

In this section, "unbeneficiated chrome" means chrome ore and fines, including chrome ore that is crushed, milled and washed to remove

waste material, and chrome concentrate that is smelted in pellet or ingot form.

(2) For the purposes of this Act unbeneficiated chrome shall be deemed to be exported from Zimbabwe on the date on which the unbeneficiated chrome is, in terms of section 60 of the Customs Act [*Chapter 23:02*], deemed to be exported.

(3) For the purposes of this Act the value to be placed on the exportation of unbeneficiated chrome from Zimbabwe shall be deemed to be—

(a) the market value of ferrochrome on the date of exportation as determined by reference to a reputable metals exchange; or

(b) the value as reflected on the bill of entry or other document required in terms of section 54 of the Customs and Excise Act [*Chapter 23:02*] is delivered to an officer under that Act;

whichever is the higher value.

(4) Subject to section 6(1)(b), and this section, any provision of the Customs Act relating to the exportation, transit and clearance of any goods and the payment and recovery of duty shall apply, with such changes as may be necessary, as if enacted in terms of this Act, whether or not the said provisions apply for the purposes of any duty levied in terms of the Customs Act.".

"12I Collection of tax on exportation of antimony, determination of value thereof

(1) Notwithstanding section 10(1), tax at the rate of ten *per centum* on the value of antimony shall be levied on a supplier of such antimony for export from Zimbabwe.

(2) For the purposes of this Act antimony shall be deemed to be exported from Zimbabwe on the date on which the antimony is, in terms of section 60 of the Customs Act [*Chapter 23:02*], deemed to be exported.

(3) For the purposes of this Act the value to be placed on the exportation of antimony from Zimbabwe shall be deemed to be—

(a) the market value thereof on the date of exportation as determined by reference to a reputable metals exchange; or

(b) the value as reflected on the bill of entry or other document required in terms of section 54 of the Customs and Excise Act [*Chapter 23:02*] is delivered to an officer under that Act;

whichever is the higher value.

(4) Subject to section 6(1)(b), and this section, any provision of the Customs Act relating to the exportation, transit and clearance of any goods and the payment and recovery of duty shall apply, with such changes as may be necessary, as if enacted in terms of this Act, whether or not the said provisions apply for the purposes of any duty levied in terms of the Customs Act.".

12K Currency of payment of export taxes

The export taxes referred to in sections 12B, 12C, 12D, 12E, 12F, 12I and 12J shall be paid for in United States dollars (or the equivalent in any other foreign currency at the international cross rate of exchange prevailing on the time of the transfer).".

43 Amendment of section 13 of Cap. 23:12

With effect from the 1st January, 2026, the Value Added Tax Act [*Chapter 23:12*] is amended in section 13 ("Collection of value-added tax on imported services, determination of value thereof and exemptions from tax") by the insertion of the following subsection after subsection (5)—

"(6) The tax payable in terms of section 6 (1) (c) in respect of the supply of imported services shall be paid for in United States dollars, or the equivalent in any other foreign currency at the international cross rate of exchange prevailing at the time of the transfer.".

44 Substitution of section 13A of Cap. 23:12

With effect from the 1st January, 2026, section 13A of the Value Added Tax Act [*Chapter 23:12*] is repealed and substituted by the following—

"13A Certain imported goods and services deemed to be locally supplied; digital services tax

(1) In this section—

"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.

(2) Despite section 13, whenever payment is made for goods and services in Zimbabwe that are supplied from outside Zimbabwe by a company or other entity domiciled outside Zimbabwe, or of electronic services by an electronic commerce operator domiciled outside Zimbabwe to a person resident in Zimbabwe, such supply shall be deemed to be a supply made in Zimbabwe to which subsection (3) applies.

(3) There shall be charged, levied and collected throughout Zimbabwe for the benefit of the Consolidated Revenue Fund a digital withholding services tax that shall be withheld by any intermediary from any amount to be remitted outside Zimbabwe in respect of a supply referred to in subsection (2) in accordance with the Second Schedule.".

45 Amendment of section 20 of Cap. 23:12

With effect from the 1st January, 2026, section 20 ("Tax invoices")(4) of the Value Added Tax Act [*Chapter 23:12*] is amended by the insertion of the following paragraphs after paragraph (g)—

"(h) the Tax payer identification number; and

(i) a Quick Response code (QR code) readable by cameras or scanners or an authentication code for the purposes of reviewing and verifying the authenticity of invoices on FDMS (Fiscalisation Data Management System).".

46 Amendment of section 23 of Cap. 23:12

With effect from the 1st June, 2025, section 23 ("Registration of persons making supplies in the course of trades") of the Value Added Tax Act [*Chapter 23:12*] is amended—

(a) in subsection (1) by the insertion of the following paragraph after paragraph (b)—

"(c) at the commencement of any month where a mining company, approved by the Minister, satisfies the Commissioner that its investment in the establishment of a mineral beneficiation plant will exceed one hundred million United States dollars, the mining company shall qualify for VAT registration.";

(b) in subsection (3) by the repeal of the proviso thereto and its substitution by—

"Provided that any person holding a special mining lease in terms of the Mines and Minerals Act who commences development for mining purpose in the year of assessment for income tax purpose beginning on or after the 1st of January, 2020, shall be deemed for the purposes of this subsection to qualify for registration under this Act with effect from the 1st January, 2020.".

47 Amendment of section 39 of Cap. 23:12

With effect from the 1st January, 2026, the Value Added Tax Act [*Chapter 23:12*] is amended in section 39 ("Penalty and interest for failure to pay tax when due")(3) by the deletion of the words "payment of tax in accordance with section twenty-nine" and the substitution of "payment of tax in accordance with section 13 or 29".

48 Amendment of section 81A of Cap. 23:12

The Value Added Act [*Chapter 23:12*] is amended in section 81A ("Measures to protect value chain integrity and transparency, and to counter unfair competition by informal traders")—

(a) by the insertion of the following proviso to subsection (2)—

"Provided that a manufacturer, wholesaler or retailer who is not a registered operator because they deal exclusively in exempt supplies may, if they produce to the manufacturer a valid certificate (that is to say, not more than six months old from the date of issuance) issued by the Zimbabwe Revenue Authority that they are dealing exclusively in exempt supplies.";

(b) by the insertion of the following proviso to subsection (3)—

"Provided that a manufacturer shall not withhold any amount on purchases by a manufacturer wholesaler or retailer referred to in the proviso to subsection (2).";

(c) by the insertion of the following proviso to subsection (3)—

"Provided that a wholesaler shall not withhold any amount on purchases by a manufacturer wholesaler or retailer referred to in the proviso to subsection (2).".

49 Schedule inserted in Cap. 23:12

The Value Added Act [*Chapter 23:12*] is amended by the insertion of the following Schedule, the existing Schedule becoming the First Schedule—

"SECOND SCHEDULE (*Section 12A*)

DIGITAL SERVICES WITHHOLDING TAX

Interpretation

1. (1) In this Schedule—

"intermediary" means any person who is a "financial institution" as defined in paragraph 1(1) of the Thirtieth Schedule ("Intermediated Money Transfer Tax") to the Income Tax Act [*Chapter 23:06*].

(2) Any word or phrase to which a meaning has been assigned in sections 12 and 12B of the Income Tax Act [*Chapter 23:06*] shall bear the same meaning when used in this Schedule.

Payers to withhold tax

2. (1) Every intermediary shall withhold digital services withholding tax from the amount paid to the intermediary for remittal in accordance with section 13A, and shall pay the amount withheld to the Commissioner within thirty days of the date of payment or within such further time as the Commissioner may for good cause allow.

(2) Where digital services withholding tax is withheld in terms of subparagraph (1), the intermediary shall provide the payer with a certificate, in the form approved by the Commissioner, showing—

(a) the amount of the payment to be made to a company or other entity domiciled outside Zimbabwe; and

(b) the amount of the digital services withholding tax withheld.

Returns to be furnished

3. Payment of the digital services withholding tax by an intermediary shall be accompanied by a return in the form prescribed.

Penalty for non-payment of tax

4. (1) Subject to subparagraph (2), an intermediary who fails to withhold or pay to the Commissioner any amount of digital services withholding tax as provided in paragraph 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 paragraph 2, as the case may be, of—

(a) the amount of digital services withholding tax which the intermediary failed to pay to the Commissioner; and

(b) a further amount equal to fifteen *per centum* of such digital services withholding tax.

(2) The Commissioner, if he is satisfied in any particular case that the failure to pay to him or her digital services withholding 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 on interest

5. If it is proved to the satisfaction of the Commissioner that any person has been charged with digital services tax 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 authorize any refund in terms of this paragraph unless the claim therefor is made within three years of the date of payment of such tax.".

PART IV

CAPITAL GAINS TAX

Amendments to Capital Gains Tax Act [Chapter 23:01]

50 Amendment of section 10 of Cap. 23:01

The Capital Gains Tax Act [*Chapter 23:01*] is amended in section 10 ("Exemptions From Capital Gains Tax) by the insertion of the following paragraph—

"(r) amounts received or accrued on the sale or disposal of any shares or other marketable securities of any statutory corporation or State-owned or controlled company to any other company or other entity not owned or controlled by the State, which company or entity must be specified by the Minister by statutory instrument;".

51 New section 30C inserted in Cap. 23:01

With effect from the year of assessment beginning on the 1st January, 2026, the Capital Gains Tax Act [*Chapter 23:01*] is amended by the insertion of the following section after section 30B—

"30C Special capital gains tax on transfer of shares or interests in land-holding entities

(1) In this section—

"beneficial owner" means—

(a) an individual who or entity which enjoys the benefits of ownership though the property's title is in another name ("the nominee"); or

(b) an individual or entity who through the ownership of any share or stake in an entity or of all or any of the assets of the entity is able to exert a significant or preponderant voice in the affairs of the organisation, including an individual or entity who exerts such control through a nominee who holds such stake, share or assets on behalf of such person;

"controller", in relation to a corporate entity, means a person other than a beneficial owner who, notwithstanding the formal arrangements for the exercise of control over the entity as specified in its constitutive document, exerts a significant or preponderant voice in the affairs of the entity;

"date of a taxable transfer" means the date when a share or interest in any landholding entity is transferred in virtue of any agreement or by the law of the country where the taxable transaction took place ;

"landholding entity", for the purposes of this section, means any one of the following entities which, at the date of the taxable transfer, holds title to any piece of land in Zimbabwe or to immoveable property in Zimbabwe—

(a) a company or other business entity unless it is incorporated under the Companies and Other Business Entities Act [*Chapter 24:31*], whether or not the majority of its members are citizens or permanent residents of Zimbabwe ordinarily resident in Zimbabwe; or

(b) a company incorporated or domiciled outside Zimbabwe;

(c) a locally incorporated subsidiary company of a holding company incorporated or domiciled outside Zimbabwe;

(d) any other entity whatsoever domiciled outside Zimbabwe that is capable, by the law of the country of its domicile, of holding title to land or other real right, including a trust, syndicate or joint venture;

(e) the nominee (being any entity as described in paragraphs (a) to (d)) of a beneficial owner of any piece of land in Zimbabwe (being any entity as described in paragraphs (a) to (g)), including an entity that, being the beneficial owner of any piece of land in Zimbabwe or a real interest therein immediately before the taxable transfer, agrees to be the nominee for that beneficial owner;

"share or interest"—

(a) includes a share, stake, right or interest in any landholding entity;

(b) does not include the hypothecation of a share, stake, right or interest in any landholding entity, or its subjection to an option agreement, except on the date when the hypothecated a share, stake, right or interest in any landholding entity is seized for failure to make repayments pursuant to the hypothecation (in which event the title is deemed to be transferred to the entity discharging the hypothecation), or the date when option is exercised;

(2) For the purposes of the definitions of "beneficial owner" and "controller"—

(a) a person exerts a significant or preponderant voice in the affairs of an entity if (singly or in combination)—

(i) that person's decision on any matter or policy concerning the governance of the entity or the exercise of any of its functions is binding on the organisation or the governing body of the entity; or

(ii) that person is able to overrule or veto any decisions of the governing body of the entity; or

(iii) that person directly or indirectly controls twenty-five *per centum* or more of the votes in the governing body;

(b) reference to a "person" exerting a significant or preponderant voice in the affairs of an entity includes a State, or an arm, organ, agency or representative of a State.

(3) There is hereby chargeable a special capital gains tax on the transfer of shares or interests in a land-holding entity, being a tax on the value of any transaction concluded within or outside Zimbabwe whereby such shares or interests are, at any time on or after the 1st January, 2026, transferred to another entity, individual (whether in his or her personal capacity or as a nominee or trustee) or partnership domiciled inside or outside Zimbabwe;

(4) In amplification of subsection (3), special capital gains tax on the transfer of shares or interests in a land-holding entity—

(a) becomes payable no later than thirty days after the date when the transfer of shares or interests is evidenced by an appropriate entry in the entity's share register, or by any other means which, under the laws of Zimbabwe or of the

country in which the taxable transaction occurred, constitutes definitive proof that title to the shares or interests has been transferred;

(b) is payable in United States dollars (or the equivalent in any other foreign currency at the international cross rate of exchange prevailing on the time of the transfer) at the rate of twenty per centum of the value of the transaction concerned by the person or entity to whom or to which the shares are transferred (or, in default of the transferee entity, by the transferor entity):

Provided that the Commissioner may, for good cause shown, extend the period for payment of the special capital gains tax on the transfer of shares or interests in a land-holding entity for a period not exceeding three months, or may agree to the payment being staggered at specified intervals over such period;

(c) the payment of special capital gains tax on the transfer of shares or interests in a land-holding entity shall be made to the Authority, or deposited with the custodian of the share register of the land-holding entity in Zimbabwe, or with any person who, having mediated the transaction, is a "depositary" as defined in section 22A ("Interpretation in Part IIIA"), and shall be accompanied by an affidavit sworn by the payer (or by the corporate secretary or similar office-bearer of a corporate entity) setting forth—

(i) the consideration paid or payable for such transfer of the shares or other interests;

(ii) full particulars (name and domicile and date of incorporation or registration as such an entity and the names of the directors thereof) of the transferor entity, and full particulars of the names and addresses of the transferee entity, individual or partnership;

(iii) if any person as a beneficial owner or controller exerts a significant or preponderant voice in the affairs of the transferee entity, the name and address or domicile of the beneficial owner or controller, and the nature and extent of such beneficial ownership or control.

(5) If the ownership or title to any shares or interests transferred as a result of any taxable transaction is put in issue by any party to legal proceedings in any court in Zimbabwe, such ownership or title shall not be deemed to have been transferred unless there is produced by or on behalf of the person claiming ownership or title thereto a tax clearance certificate evidencing the payment of special capital gains tax on the transfer of shares or interests in a land-holding entity concerned in that transaction.".

PART V

CUSTOMS AND EXCISE

Amendments to Customs and Excise Act [Chapter 23:02]

52 Amendment of section 2 of Cap. 23:02

Section 2 ("Interpretation") of the Customs and Excise Act [*Chapter 23:02*] is amended by the insertion of the following definitions—

""Authority" means the Zimbabwe Revenue Authority established in terms of the Revenue Authority Act [*Chapter 23:11*];

"customs revenue authentication apparatus" refers to the systems, tools, or mechanisms used by or on behalf of the Commissioner for the purposes of verifying that duty on goods subject to duty has been paid, and includes an excise stamp;

"excise stamp" means a stamp affixed to the packaging, containers or receptacles of excisable goods to show that the required excise tax has been paid;".

53 Amendment of section 127 of Cap. 23:02

With effect from the 1st January, 2026, section 127 ("Liability for excise duty or surtax") of the Customs and Excise Act [*Chapter 23:02*] is amended by the repeal of subsection (1) and the substitution of—

"(1) Where any excise duty, surtax or special surtax has been imposed on goods manufactured or produced in Zimbabwe, the manufacturer of such goods shall be liable for the payment of the excise duty, surtax or special surtax and such liability shall continue until the goods have been accounted for in terms of this Act.".

54 New section substituted for section 175A of Cap. 23:02

Section 175A of the Customs and Excise Act [*Chapter 23:02*] is repealed and the following is substituted—

"175A Manufacture, use or possession of customs date stamps and excise stamps

Any person who unlawfully makes, uses or possesses a customs date stamp, or excise stamp, or a stamp capable of being used as a customs date stamp, or any device capable of affixing an unlawful; excise stamp, 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.".

55 Amendment of section 216A of Cap. 23:02

Section 216A ("Licensing of clearing agents") of the Customs and Excise Act [*Chapter 23:02*] is amended by the insertion of the following proviso to subsection (9)—

"Provided that any company and its directors whose licence is canceled shall not be re-licensed as a clearing agent for a minimum period of five years unless the reasons for the initial cancellation have been rectified.".

56 Amendment of section 216B in Cap. 23:02

The Customs and Excise Act [*Chapter 23:02*] is amended in section 216B ("Registration of authorised economic operators") by the insertion of the following subsection after subsection (12)—

"(13) The Commissioner-General may enter into authorised economic operator mutual recognition agreements with other customs administrations for the purpose of trade facilitation."

57 Amendment of section 234 of Cap. 23:02

Section 234 ("Goods in transit") of the Customs and Excise Act [*Chapter 23:02*] is amended by the repeal of (2a).

58 Amendment of section 235 of Cap. 23:02

Section 235 ("Making of regulations") (2) of the Customs and Excise Act [*Chapter 23:02*] is amended by the insertion of the following paragraph after paragraph (m)—

"(n) the procurement in accordance with the Public Procurement and disposal of Assets Act [*Chapter 22:23*] of customs revenue authentication apparatus."

59 Confirmation of tariffs imposed, amended or replaced by Minister under section 225 of Cap. 23:02

Pursuant to section 225 of the Customs and Excise Act [*Chapter 23:02*], the replacements and amendments to the Customs and Excise (Tariff) Notice and Customs and Excise (Surcharge) Notice that were published in the following statutory instruments are hereby confirmed—

(a) Statutory Instrument 11 of 2025; and

(b) Statutory Instrument 23 of 2025; and

(c) Statutory Instrument 50A of 2025.

(d) Statutory Instrument 105 of 2025.

PART VI

MINES AND MINERALS

60 Amendment of Section 2 of Cap 21:04

The Minerals Marketing Corporation of Zimbabwe Act [*Chapter 21:04*] is amended in section 2 by the repeal of the definition for "mineral" and the substitution of—

"mineral" means any naturally occuring solid material aggregate, or substance extracted from the earth's crust via mining or quarrying operations, which has not undergone any chemical transformation, smelting or pyro metallurgical processing;".

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

61 Amendment of Schedule to Chapter VII of Cap. 23:04

With effect from the 1st January, 2026, the Schedule to Chapter VII of the Finance Act [*Chapter 23:04*] is amended in the part fixing the rates of royalties (which fixes the rates of royalties for the purposes of section 36O of the Income Tax Act [*Chapter 23:06*] by the repeal of the items on gold produced by other miners and the substitution of the following—

"Gold produced by other miners	3 (if the gold produced by the miner is sold at a time when its price is US$1 200 per ounce)

5 (if the gold produced by the miner is sold at a time when its price is above US$1 200 per ounce but below US$5 000 per ounce)

10 (if the gold produced by the miner is sold at a time when its price is above US$5 000 per ounce)".

PART VIII

REVENUE AUTHORITY

62 Amendment of section 34F of Cap. 23:11

Section 34F ("Powers of Commissioner-General and officers of Authority") of the Revenue Authority Act [*Chapter 23:11*] is amended—

(a) in subsection (14a) by the insertion of the following paragraph after paragraph (c)—

"(d) cause any premises to be locked with locks or secured for so long as the Commissioner deems fit but not exceeding 180 days, and no person shall, during such period, remove or break such lock or enter such premises or remove any goods or cash therefrom without the permission of the Commissioner.";

(b) by the insertion of the following subsection after subsection (14a)—

(14b) Where premises are locked or secured in terms of subsection (14a) (d) Any person who removes or breaks any lock or seal or enters any locked, sealed or secured premises or any removes any goods or cash therefrom without the permission of the Commissioner shall be guilty of an offence and liable to a fine not exceeding level 14 or imprisonment for a period not exceeding five years, or to both such fine and such imprisonment."

PART IX

MISCELLANEOUS

63 Amendment of Act No. 7 of 2021

The Finance Act, 2021 (No. 7 of 2021) is amended in Part XIII ("Blocked Funds Resolution") by the insertion of the following section after section 55—

"55A Rolling over of maturities on certain Treasury Bonds

With effect from the 30th June, 2025, all Treasury Bonds maturing from 2025 to 2030 that were issued for the resolution of blocked funds and other legacy obligations provided for under this Part, are hereby restructured to a 0% coupon Treasury Bond with a tenors of four, five, six and seven years from the date of maturity.".

64 Declaratory provision concerning section 20 of SI 29 of 2025

Section 20 of the Banking (International Financial Services Centre) Regulations, 2025, published in Statutory Instrument 29 of 2025, is amended by the repeal of paragraph (g) (relating to Income Tax Act [*Chapter 23:06*], and paragraph (j) relating

to the Revenue Authority Act [*Chapter 23:11*] and paragraph (s) (relating to the Value Added Tax Act [*Chapter 23:12*])".

65 Validation of SI 81 of 2025

Pursuant to section 49 of the Finance (No. 2) Act (No. 7 of 2024) Statutory Instrument 81 of 2025 is hereby validated.

PART X

GOLD TRADE

66 Amendment of Cap. 21:03

The Gold Trade Act [*Chapter 22:15*] is amended—

(a) in section 2 ("Interpretation") by the insertion of the following definitions—

""authorised dealer" has the meaning given to that phrase in paragraph 1 of the Schedule to the Exchange Control Act [*Chapter 22:05*];

"authorised gold bar" means one of a series of gold bars of 99,5 *per centum* purity produced in the units of weight, and in the shapes and dimensions specified by notice in the *Gazette*, issued by the National Gold Refinery and bearing its hallmark;

"national gold refinery" has the meaning given to it in section 22A;";

(b) in section 3 ("Prohibition of dealing in gold") by the repeal of subsection (1) and the substitution of—

"(1) No person shall, either as principal or agent, deal in gold, unless—

(a) he or she is the holder of a licence or permit; or

(b) he or she is a holder or tributor; or

(c) he or she is the holder of an authority, grant or permit issued under the Mines and Minerals Act [*Chapter 21:05*] authorising him or her to work an alluvial gold deposit; or

(d) he or she is the employee or agent of any of the persons mentioned in paragraphs (a), (b) and (c) and is authorised by his or her employer or principal to deal in gold in the lawful possession of such employer or principal; or

(e) he or she is an authorised dealer; or

(f) the person in question is the national gold refinery; or

(g) he or she is a person who has acquired authorised gold bars ultimately acquired from, an authorised dealer or the national gold refinery.

and deals in gold in accordance with this Act or the licence, permit, authority or grant, if any, held by him or her:

Provided that, subject to the Exchange Control Act [*Chapter 22:05*], holders of authorised gold bars may deal in them, that is to say, pledge, exchange, give or receive, or offer or expose for sale, barter, pledge or exchange, or engage in any transaction whatsoever whose commodity is an authorised gold bar.";

(c) in Part II ("Dealing in gold") by the insertion of the following section after section 12—

"12A Tampering with or smelting authorised gold bars

(1) No person shall—

(a) scrub, alter or deface any hallmark or other authorised marking on an authorised gold bar;

(b) diminish or augment by any means the authorised weight or purity of any authorised gold bar;

(c) fabricate any authorised gold bar, or pass off or misrepresent as an authorised gold bar any piece of gold or other metal or substance;

(d) smelt or change the form of an authorised gold bar.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and liable to a fine not exceeding level fourteen or to imprisonment for a period not exceeding fifteen years or to both such fine and such imprisonment.

(3) If a person is charged with contravening this section, section 22E applies to the seizure, custody and forfeiture of any authorised gold bar, gold or other metal or substance that is the subject matter of the contravention.".

PART XI

INDIGENISATION AND ECONOMIC EMPOWERMENT

67 Amendment of First Schedule of Cap. 14:33

The First Schedule ("Reserved/threshold sectors") of the Indigenisation and Economic Empowerment Act [*Chapter 14:33*] is amended by the insertion of the following items after item 17—

"18. Quarry mining

The activity of quarry mining undertaken for the purpose of gain, that is to say the activity of extracting rock, stone, sand, gravel, or other minerals from the earth's surface, typically through open pit operations, for use in construction and industrial applications.

19. Brick moulding

The activity of quarry brick moulding undertaken for the purpose of gain, that is to say the activity of shaping bricks from prepared clay or earth, either by hand or by machine, before they are dried and fired.

20. Granite mining

The activity of granite mining undertaken for the purpose of gain,, that is to say the process of extracting granite rock from the earth, usually through open pit quarrying, for use in construction, decorative stonework, and industrial applications. Also reserved are the related activities of locating granite deposits, removing large blocks or slabs of granite.

21. Travel agency business

The business of travel agency, that is to say acting as an intermediary for gain between travellers and travel service providers, involving the arranging and selling of travel-related products such as flights, hotels, tours, and insurance.".

PART XII

MONEY LAUNDERING AND PROCEEDS OF CRIME

68 Amendment of Cap. 9:24

The Money Laundering and Proceeds of Crime [*Chapter 9:24*] is amended—

(a) in section 2 ("Interpretation")(1) by the insertion of the following section after section 12—

(i) in the definition of "financial institution", by the insertion of the following paragraph after paragraph (n)—

"(o) the provision of one or more of the following services relating to virtual assets:

(i) the exchange between virtual assets and fiat currencies; or

(ii) the exchange between one or more forms of virtual assets;

(iii) the transfer of virtual assets;

(iv) the safekeeping or administration of virtual assets or instruments enabling control over virtual assets; and

(v) participation in and provision of financial services related to an issuer's offer or sale of a virtual asset;";

(ii) by the insertion of the following definitions—

"fiat currency" means currency issued in terms of the Reserve Bank of Zimbabwe Act [*Chapter 22:15*] or any other currency designated as legal tender in Zimbabwe;

'"virtual asset" means a digital representation of value that can be digitally traded or transferred, and can be used for payment or investment purposes, but does not include digital representations of fiat currency, securities and other financial assets that are regulated under any other enactment, unless so defined in such other enactment;";

(b) by the insertion of the following section after section 3—

"3A Regulation of Virtual Asset Service Providers for purposes of this Act

(1) No natural or legal person shall carry out the business of a virtual asset service provider in or from Zimbabwe unless such person—

(a) is registered with the Unit after meeting such registration requirements as may be prescribed by the Minister by statutory instrument; and

(b) complies with any other registration or licensing requirements as may be prescribed under any other law regulating such services.

(2) A virtual asset service provider shall comply with all provisions of the Act as are applicable to financial institutions and shall comply with all such directives issued by the Unit to financial institutions in general and to virtual asset service providers in particular.

(3) Subject to subsection (4), any person who operates a business in contravention of subsection (1) or (2) shall (even if the person is licensed under Part VA of the Securities and Exchange Act [*Chapter 24:25*]) be guilty of an offence and liable to a fine not exceeding one hundred thousand United States dollars or equivalent, or imprisonment for a period not exceeding two years, or both such fine and imprisonment.

(4) Notwithstanding subsection (1), every person who, before the date of commencement of the Finance Act, 2025, was lawfully carrying on the business of a virtual asset service provider in or from Zimbabwe, may continue such business until the 30th April, 2026, beyond which the person must be registered under this section.";

(c) in section 12A ("National money laundering and terrorist financing risk assessment and risk mitigation")—

(i) in subsection (2) by the deletion of the words "money laundering and terrorist financing" and the substitution of "money laundering, terrorist financing and proliferation financing";

(ii) in subsection (3)—

A. by repealing paragraph (a) and substituting—

"(a) to identify, assess and understand the money laundering and terrorist financing risks associated with all types of legal persons and legal arrangements created or operating in Zimbabwe;";

B. in paragraphs (b) and (c) by deleting the words "to identify and assess" and substituting "to identify, assess and understand";

(d) in section 12B ("Assessing risks and implementing risk-based approach by financial institutions and designated non-financial businesses and professions"), by the repeal of subsections (1) and (2) and the substitution of—

"(1) Every financial institution and designated non-financial business or profession shall identify, assess and understand the money laundering, terrorist financing and proliferation financing risks to which it is exposed and shall maintain adequate records thereof.

(2) Based on the risk assessment, the financial institution or designated non-financial business or profession shall implement measures proportionate to the identified risks, that is to say—

(a) shall implement enhanced measures for higher risk customers, products, services or situations, as appropriate; and

(b) may implement simplified or reduced measures for lower risk customers, products, services or situations, as appropriate.";

(e) in section 12C ("Establishment of National Anti-Money Laundering Advisory Committee")—

(i) by the repeal of subsection (1) and the substitution of—

"(1) There is hereby established a national committee to be known as the National Anti-Money Laundering Advisory Committee, whose function shall be—

(a) ensuring policy implementation and coordination among competent authorities and relevant government ministries in relation to combating money laundering, terrorist financing and proliferation financing; and

(b) to advise the Minister on policies to combat money laundering terrorist financing and proliferation financing,

(ii) in subsection (2) by the repeal of paragraphs (b) and (c) and the substitution of the following paragraph—

"(b) not more than 14 members from among heads of government ministries and competent authorities as defined in section 2(1).".

PART XIII

SECURITIES AND EXCHANGE COMMISSION

69 New Part inserted after Part V of Cap. 24:25

The Securities and Exchange Act [*Chapter 24:25*] is amended by the insertion after Part V of the following Part—

"PART VA

REGISTRATION OF VIRTUAL ASSETS SERVICE PROVIDERS

"49B Interpretation in Part VA

In this Part—

"asset" means any property.

"asset token" means a token representing a claim against the issuer, which—

(a) represents or derives its value from an underlying asset,

(b) is secured or backed by collateral;

"comparable body" means an entity outside Zimbabwe with regulatory functions similar to the Securities and Exchange Commission for virtual asset businesses;

"customer" has the definition assigned in the Money Laundering and Proceeds of Crime Act [*Chapter 9:24*];

"fiat currency" means currency issued in terms of the Reserve Bank of Zimbabwe Act [*Chapter 9:24*] or any other currency designated as legal tender in Zimbabwe;

"financial institution" has the definition assigned under the Reserve Bank of Zimbabwe Act [*Chapter 9:24*];

"initial token offerings" means public offers for the sale of virtual tokens in exchange for fiat currency or other virtual assets;

"non-fungible token" means a unique virtual token that cannot be divided, exchanged, or sold on a secondary market;

"virtual asset" means a digital representation of value that can be digitally traded or transferred, and can be used for payment or investment purposes, but does not include digital representations of fiat currency, securities and other financial assets that are regulated under any other enactment, unless so defined in such other enactment;

"virtual asset business" means activities including—

(a) issuing initial token offerings,

(b) providing virtual token exchange services,

(c) offering payment services using virtual assets,

(d) facilitating exchanges between virtual assets and fiat currency;

"virtual asset service provider" means a person providing virtual asset services or trading virtual assets on their own account;

"virtual currency token" means a digital representation of value functioning as:

(a) a medium of exchange; or

(b) a unit of account; or

(c) a store of value;

"virtual token" includes virtual currency tokens, asset tokens, non-fungible tokens, and any digital representations designated as virtual tokens;

"virtual token exchange" means a marketplace for the sale, trade, or exchange of virtual tokens.

49C Application for and grant of licence

(1) A person wishing to engage in a virtual asset business may apply for a virtual asset service provider or issuer licence to the Commission—

(2) Applications must be in the prescribed form, specify the licence type, and include—

(a) proof of registration with a comparable body,

(b) a certificate of incorporation or founding documents (if applicable),

(c) a comprehensive business plan detailing financial and operational projections, management arrangements, and compliance policies under this Act and the Money Laundering and Proceeds of Crime Act [Chapter 9:24],

(d) customer due diligence details,

(e) the prescribed fee.

(3) The Commission may request additional information as necessary.

(4) The Commission may issue a licence if—

(a) for natural persons, the applicant is fit, proper, and resident in Zimbabwe,

(b) for legal entities, the applicant and its associates are fit and proper,

(c) the applicant has sufficient resources and staff to conduct business.

(5) In assessing fitness, the Commission considers—

(a) financial status;

(b) education and experience of individuals involved;

(c) integrity and governance standards;

(d) the reputation of individuals involved;

(6) The Commission may also evaluate—

(a) proposed business activities;

(b) capacity to carry out those activities;

(c) compliance with international standards, including IOSCO principles.

(7) Subject to subsection (8), no person shall engage in virtual asset business without the relevant licence, even if the person is registered under section 3A of the Money Laundering and Proceeds of Crime [*Chapter 9:24*]. Violations are punishable by a fine not exceeding level 14, imprisonment for up to one year, or both.

(8) Notwithstanding subsection (7), every person who, before the date of commencement of the Finance Act, 2025, was lawfully carrying on any business for which a licence is required under this section, may continue such business until the 30th April, 2026, beyond which the person must be licensed under this section.

49D Suspension or revocation of licence

(1) The Commission may suspend or revoke a licence if—

(a) the holder is deemed unfit;

(b) there is a violation of this Act;

(c) false or misleading information is provided;

(d) the licence was obtained irregularly;

(e) business has not commenced within twelve months;

(f) suspension is necessary for public protection;

(g) a request for suspension or revocation is made by the holder or a competent authority.

(2) The Commission shall notify the licence holder 30 days prior to suspension or revocation.

(3) The licence holder may submit written representations within 14 days of the notice in terms of subsection (2), which the Commission shall consider before making a final decision.

(4) If the holder meets requirements, the Commission may lift the suspension under specified conditions.

(5) The Commission may—

(a) suspend a licence without notice for public protection;

(b) revoke a licence upon request;

(c) immediately revoke a licence if necessary to protect the public interest.

(6) The Commission shall notify the licence holder of its decision as soon as practicable.

(7) Upon revocation, the Commission will notify relevant authorities and publish the revocation in the *Gazette*.

49E Office premises of virtual asset service provider

(1) The business activities of a virtual asset service provider shall be directed and managed from Zimbabwe and, in determining whether it complies with this requirement, the Commission may consider, inter alia the following factors—

(a) where the strategy, risk management and operational decision making of the virtual asset service provider occurs;

(b) whether the presence of executives who are responsible for, and involved in, the decision making related to the business activities of the virtual asset service provider are located in Zimbabwe;

(c) where meetings of the board of directors of the virtual asset service provider take place;

(d) where management of the virtual asset service provider meet to effect policy decisions;

(e) the residence of the officers or employees of the virtual asset service provider; and

(f) the residence of one or more directors of the virtual asset service provider.".

70 Amendment of section 11 of Cap. 22:05

The Exchange Control Act [*Chapter 22:05*] ("the principal Act") is amended in section 11 ("civil penalty orders") by the repeal of subsection (2a) and the substitution of—

"(2a) The provision of the schedule in so far as they expressly on implicitly permit the settlement of any transactions or the payment for goods and services in foreign currency, shall, not withstanding sections 22 and 23 of the Finance (No. 2) Act, 2019 (No. 7 of 2019), shall continue to be valid.".