KRESTON ZIMBABWE

February 2025
NEWSLETTER

Latest **Tax** Updates!

KRESTON ZIMBABWE

In this issue

- Company Re-registration
- Statutory Instrument 5 of 2025
- Statutory Instrument 7 of 2025
- Statutory Instrument 8 of 2025
- Public Notice no.4 of 2025 - Submission of ITF 16 Return
- Mandatory use of Point-Of-Sale Machines
- Adoption of international best practices of payment
- Establishment of Domestic Interagency Enforcement Team
- Churches engaging in trading activities
- Public Notice no.10 0f 2025 – Surcharge on Food Disposables and Betting Taxes
- Kreston Trustee Services

Dear Valued Clients,

1 Company Re-registration

We are pleased to announce that the Re-registration of companies is ongoing, and we are available to assist you with the re-registration process. According to the Companies and Other Business Entities Act (Chapter 24:31), all companies that were registered before March 2024 are supposed to re- register on the CIPZ Portal.

Impact of Company Re-registration to business owners.

There are statutory costs associated with the re-registration. Furthermore, the process requires document accuracy, particularly Certificate of incorporation, CR5, CR6, Memorandum & Articles of Association and Annual Returns Compliance to ensure annual returns are up to date.

2 Statutory Instrument 5 of 2025 (Customs and Excise (Suspension) (Amended) Regulations, 2025

For the purpose of enforcing collection of all required fees, an authorized person shall be permitted to deny passage through a tolling point to any vehicle that has an expired or does not have a valid vehicle license in terms of the Vehicle Registration and Licensing Act (Chapter 13;15). This instrument was effective from 1st January 2025.

Impact to Vehicle Owners

There are some penalties for non-compliance to vehicle owners who are not adhering to the new requirements, such as failing to register vehicles on time or using non-compliant vehicles.

3 Statutory Instrument 7 of 2025 - Customs and Excise (Designated Deemed Smuggled Goods)

This instrument is to inform every manufacturer, wholesaler, retailer or individual who is found in possession of the designated goods and fails to furnish to the Commissioner, or any officer or person authorized by the Commissioner, necessary documents as evidence that the goods have not been smuggled, such a person is liable to payment of duty and applicable penalties.

Impact of the Statutory Instrument 7 of 2025 to Wholesalers and Manufactures.

Manufacturers, wholesalers and retailers who import goods need to have proper import documentation in place as they will be unable to legally sell or distribute the goods . This can disrupt their business operations and causes supply chain delays

4 Statutory Instrument 8 of 2025 Statute Law Compilation and Revision (Correction of Civil Aviation Amendment Act, 2024)

This instrument serves to modernize civil aviation regulatory framework of Zimbabwe. The Senate Passed the amendment bill to the Civil Aviation Act, marking the conclusion of a legislative process that began in November at the National Assembly. This initiative aims to address gaps identified through audits by the International Civil Aviation Organization (ICAO), while aligning national with international standards and best practices.

5 Public Notice 4 of 2025 - Submission of ITF16 Return (Tax on Employment Income) Return for 2024 Tax Year

Through public notice 4 of 2025, ZIMRA is reminding taxpayers to prepare and remit ITF16 return. This is a repeal of Public Notice 12 of 2024 which had made submission of ITF16 irrelevant due to the introduction of a new PAYE return which had replaced the P2 form.

6 Mandatory use of point –sale machines by all informal traders

The mandatory use of point-of-sale (POS) machines by all informal traders in Zimbabwe is a policy that has sparked significant debate. On one hand, it can be seen as a move towards modernizing the economy and reducing cash-based transactions, which could help curb corruption and improve financial transparency.

The impact on small businesses and vendors could vary depending on their specific circumstances, such as their location, resources, and the nature of their trade. While the policy may benefit the formal economy, there's a risk it could further marginalize the very people it intends to support by increasing operational costs and compliance pressures.

7 Adoption of international best practices of tax payment

As global trade evolves, many businesses in Zimbabwe need to understand international standards to remain competitive. This means that they should be familiar with the international frameworks for example double taxation treaties. These treaties would help them reduce the tax burden for businesses involved in cross border trade by preventing double taxation and offering tax credits or exemptions.

8 The establishment of Domestic Interagency Enforcement team to enforce compliance in the informal sector

This instrument is to inform every informal business to comply with the tax practices in Zimbabwe. The impact would be the increased burden on the informal businesses since they struggle to comply. The establishment of an enforcement team could place additional financial bureaucratic burdens on these small businesses, potentially leading to closure or exiting the market.

9 Churches engaging in Trading Activities

Through public Notice 98 of 2024, ZIMRA is communicating toc churches who have got income derived from trading activities to register for Income Tax and if such revenue exceed the US$25000 threshold, they are supposed to register for Value Added Tax. The activities include proceeds from the sale of church literature, books, or music, revenue from the sale of church-branded merchandise, income from sale of meals, clothing or similar items.

Donations, tithes, offerings and contribution from non-trading activities remain exempt from Income Tax.

10 Public Notice no.7 Of 2025 – TaRMS VAT Input Tax Claim (Effective 16 April 2025)

ZIMRA has upgraded TaRMS to improve VAT return functionalities. Key changes include Automatic input tax schedules, Credit/debit note management and Invoice apportionment features, and Integration of fiscal tax invoices through fiscalisation data management system.

Taxpayers must claim all valid fiscal tax invoices, debit/credit notes issued on or before 31 March 2025 under the following tax periods;

Category C	15th February, 15th March, 15th April 2025
Category A	15th February, 15th April 2025
Category B	15th March 2025
Category D	15th April 2025

Impact to VAT-registered businesses

Failure to claim eligible input taxes before TaRMS upgrade may result in lost tax benefits. Businesses must review and submit claims promptly.

11 Public Notice no.8 of 2025 – Regulation of Motor vehicles with Foreign Number Plates

In this issue, ZIMRA mandates compliance with Temporary Import Permit (TIP) regulations for foreign-registered vehicles. Key requirements include valid TIP with entry/exit dates, prohibition of commercial use or transfer to residents without customs clearance and TIP extensions must align with immigration permits and be requested before expiry. Non-compliance may lead to vehicle seizure, fines, forfeiture, or prosecution.

12 Public Notice no.10 of 2025 – Surcharge on Food Disposables and Betting Taxes

The Finance Act No.7 of 2024 provided for surcharge on the sale value of disposable plastic bags, surcharge on fast food sales and Withholding Tax on gross winning of betting punters with effect from 01 January 2025. This public notice seeks to advise all affected taxpayers to take note of the due date and payments as detailed below;

- Disposable Plastic Bags - a surcharge is chargeable on the sale value of each disposable plastic carrier bags produced by a manufacturer, At the rate of 20% of such sale value if sold locally. This tax is payable by all manufacturers of disposable plastic bags
- Surcharge on Sale Value of Fast Foods - every fast food operator shall apply a surcharge of 1% on the sale value of any specified fast foods (whether sold in pre-packaged form or prepared on the premises, for consumption on or off the premisses where it is sold).
- Withholding tax on gross winning of betting punters – bookmakers are required to pay bookmakers tax on their gross monthly takings and collect punters' tax on gross winnings of punters.

  The bookmakers' tax and punters tax is calculated as follows:

  - At the rate of 3% of each dollar of the gross monthly takings of the bookmaker.
  - At the rate of 10% of each dollar of the gross winnings of betting punters

KRESTON TRUSTEE SERVICES

Kreston Zimbabwe Trustee (Pvt) Ltd, license number SECZ 7808T, is licensed by the Securities and Exchange Commission of Zimbabwe to offer Trustee Services.

As Kreston Zimbabwe Trustees (Pvt) Ltd, we provide a wide range of fiduciary and trust administration services. These services include:

- relationship management,
- project management,
- fund accounting,
- compliance monitoring,
- escrow and sinking fund administration.

CONTACT US

Should you have any questions or require further information, please do not hesitate to contact our team below;

Accounting and Tax services

Victor Matesanwa
Partner
+263 772 789 486
vmatesanwa@krestonzim.com

Trustee services

Christinah Machingambi
Director
+263 772 283 734
cmachingambi@krestonzim.com

Business Advisory services

Tinashe Murerekwa
Partner
+263 777 477 009
tmurerekwa@krestonzim.com

Audit and Assurance services

Chipo Mache
Partner
+263 789 467 927
cmache@krestonzim.com

Block A, Ground Floor
Smatsatsa Office Park
Borrowdale, Harare

+263 24 274 6783
+263 86 771 06423

info@krestonzim.com
www.krestonzim.com