



MONTHLY TAX UPDATE

FEBRUARY 2022

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We are honoured to present our February 2022 Monthly Tax Update (“MTU”) which is designed to keep businesses and individuals informed of the latest tax issues and also bring value to both. Each month we will consider the latest changes to the tax rules – legislative, case law, and Authorities announcements and interpretations that bring relevancy to the business environment. Monthly Tax Updates ensure that our valued members are kept in tune with changes in the tax arena. They provide you an opportunity to stay on top of developments that directly and indirectly affect you and your clients/business.

The focus is on key guidance from legislation, tax agencies and the courts that represent new interpretations, as well as guidance on new laws. The updates are accompanied by an insightful commentary pointing out the key takeaway points from the material. Aside to what our regular Newsletters provide, MTUs are meant to help you:

- Identify new tax planning opportunities.
- Keep you updated with all changes in the tax world.
- Keep you aware of current revenue and fiscal announcements and interpretations.
- Recognize pitfalls many professionals miss.
- Minimize compliance errors and offer practical and effective tax solutions.

The contents of this month’s MTU edition are as follows:

- Zim and China Extradition Treaty.
- ZSE listing requirement fees.
- ZINARA levies increase.
- SI on increment of fuel levies.
- Zim and United Arab Emirates agreement
- Tax case of Delta vs ZIMRA.
- Updates on the OECD transfer pricing guidelines.
- VAT on imported services.
- Special initial allowance regularized.
- CGT rollover on pre 22nd February 2019 acquisitions
- Appointment of the acting CG.
- Excise return submission and payment.

A handwritten signature in blue ink, appearing to read 'Marvellous Tapera', written over a light blue circular stamp.

Marvellous Tapera
Chief Executive officer



1. Matrix Group News!

Join us for the upcoming Annual Tax Conference for 2022.



ANNUAL TAX CONFERENCE

◆ 2022

25 - 27 May 2022

Elephant Hills Resort, Vic Falls



www.matrixtaxschool.co.zw

SAVE THE DATE!!!



2. New Legislative Provisions

Zim and China Extradition Treaty

The law and Interpretation

SI 24 of 2022 has published the Extradition Treaty between Zimbabwe and China. The treaty sets out that Zimbabwe or China may seek to extradite at the request of the requesting country, persons found in its territory and wanted by the other country for the purpose of conducting criminal proceedings against or executing sentence imposed on such persons. The treaty goes on to stipulate other measures that affects such extradition procedures like the types of extraditable offences, discretionary grounds for refusal extradition of nationals, execution of the provisional arrest, decisions on the request for extradition, the surrender of the person to be extradited and the transportation of the person to be extradited.

Decision Impact

The agreement was designed to promote the effective cooperation between the two countries in the suppression of crime on the basis of mutual respect for sovereignty, equality and mutual benefit; with the intention to facilitate relations in the area of extradition.

ZSE listing fees

The law and Interpretation

The Zimbabwe Stock Exchange requirement fees have been adjusted by SI 28 of 2022. Of importance are the document review fees which significantly affect the cost of registration of companies and processing of company documents on the platform. The fees are as follows:

Category	\$ ZWL
Articles of association	
per new listed company	60,000
per subsidiary of a listed company	40,000
re-examination fee, per company	40,000
*minor amendments	20,000
Debenture trust deed	
per new trust deed	60,000
re-examination fee of existing deed requiring securities holders approval	40,000
minor amendments of existing deed not requiring securities holders approval	20,000
Share incentive/option scheme	
new scheme	100,000
amendment fee of existing scheme (requiring shareholder approval)	80,000
minor amendments of existing scheme not requiring shareholder approval	50,000
New listing (Includes pre-listing statement, excludes articles of association, debenture trust deeds and shares incentive/option schemes.)	1,000,000
Rights offers, renounceable offers and claw-back offers	600,000
Company reconstruction- Schemes of Arrangements with Creditors and Members	600,000
Acquisition/Disposal/Mandatory offer	
Circular	600,000
Capital restructure	
Circular	600,000
Issue for cash	
Circular	600,000
Odd lot offer	
Circular	600,000
Consolidation/sub-division	
Circular	600,000
Capitalisation issues	
Circular(ordinary)	600,000
Circular(fractional entitlement)	600,000
Change of name	90,000
Related Party Transaction	750,000
Scrip dividend	60,000
Share Capital- cancellation or withdrawal of securities	60,000
Share Capital – Increase	60,000
Share Capital – Par Value Amendment	60,000
Termination of listing	750,000
Unbundling	750,000
Debt Securities	
Placing document, Offering circular Programme memorandum	600,000
Pricing supplement	100,000
Amendment to Programme	500,000
Amendment to Pricing Supplement	80,000

ETF/ETN prospectus/prelisting statement/placing document	800,000
Review of amendments to ETF/ETN circulars (per each review)	100,000
Index ground rules review	50,000
Trust deed review	
per new trust deed	60,000
re-examination fee of existing deed requiring securities holders approval	40,000
minor amendments of existing deed not requiring securities holders approval	20,000
New Listing – SPAC	800,000
Exercise of options	20,000
Fairness opinion	100,000
Reviews requiring responses, rulings and decisions within less than 24 hrs from the date of submission	100,000

Decision Impact

The SI has stipulated that going forward, all the amounts to do with the ZSE listing requirements will be updated and reviewed on a quarterly basis on the 31st March, 30th June and 30th September. This implies that we are to anticipate changes going forward and this is owing to the instability of the ZWL currency.

ZINARA motor vehicle license fees increase

The law and Interpretation

SI 29 of 2022 has revised the ZINARA motor vehicle licence fees for all motor vehicles in Zimbabwe upwards as follows:

Net mass	4 Months (ZWL\$)	6 Months (ZWL\$)	8 Months (ZWL\$)	12 Months (ZWL\$)
Up to 1 500kg	3 240	4 860	6 480	9 720
1 501kg to 2 250kg	4 590	6 885	9 180	13 770
2 251kg to 3 000kg	5 400	8 100	10 800	16 200
3 001kg to 3 750kg	10 800	16 200	21 600	32 400
3 751kg to 4 250kg	13 500	20 250	27 000	40 500
4 251kg to 5 000kg	16 200	24 300	32 400	48 600
5 001kg to 5 750kg	18 000	27 000	36 000	54 000
5 751kg to 6 250kg	18 900	28 350	37 800	56 700
6 250kg to 7 000kg	21 600	32 400	43 200	64 800
7 001kg to 7 750kg	23 220	34 830	46 440	69 660
7 751kg to 9 250kg	24 840	37 260	49 680	74 520
251kg to 10 000kg	26 640	39 960	53 280	79 920
10001kg to 10750kg	35 550	53 325	71 100	106 650
10 751kg and above	54 000	81 000	108 000	162 000"

Decision Impact

Increases in the ZINARA levies will increase the cost of owning a vehicle, considering the rapid increases in the fuel costs as well. Nonetheless we hope that these increases will translate into better road infrastructures in Zimbabwe.

Strategic reserve levies rise

The law and Interpretation

SI 31 of 2022 has, with effect from the 1st February, 2022, and for a period 30 days revised the strategic reserve levy for diesel and petrol to \$ US 0.087 per litre of the diesel and petrol. This is an upward revision from the US\$ 0,047 per litre of diesel and US\$ 0,057 per litre of petrol previously updated in SI 254A of 2021.

Decision Impact

The revision affects the overall price of fuel and hence leads to increases in the fuel prices. Furthermore, the effects on the fuel prices are significant considering that the revision has led to percentage increases of 85% for diesel and 53% for petrol.

Zim and United Arab Emirates agreement

The law and Interpretation

SI 37 of 2022 has published the Agreement between Zimbabwe and the United Arab Emirates on Promotion and Reciprocal Protection of Investments. The agreement had been drafted back in 2019 and this SI is simply enacting it. The agreement deals with the promotion and protection of investments in either of the countries by investors from the other country. The agreement covers the need for fair treatment of such investments, transparency of the laws and regulations governing such investments, compensation for damage of investments owing to wars or other armed conflicts in the hosting country, and procedures for dispute resolution between the two countries.

Decision Impact

The agreement was constructed to create favourable conditions for investments in both countries and to intensify the co-operation between private enterprises in both countries with a view to stimulate the productive use of resources; recognising the growing importance of the progressive liberalisation of investment to stimulate the initiative of investors to promote prosperity in the countries.



3. Court Case

The meaning of a trust for purposes of donation deduction

Case name	Delta Beverages (Pvt) Ltd vs ZIMRA SC598/19 - SC 3/22
Summary Facts	<ul style="list-style-type: none"> • This is an appeal of the decisions made in a previous case by the Special Court. • The case deals with the deductibility of various expenses. • The decision of the previous case is incorporated in the judgement given by the Supreme Court judge ruling the current case.
Jurisdiction	<ul style="list-style-type: none"> • Supreme Court
Issues	<ul style="list-style-type: none"> • Whether the Special Court correctly found that the intent behind the ITA was to match expenses to income of a year and allow the deduction of prepayments for a period beyond the year of taxation in the tax year of payment • Whether the Special Court erred in ordering the CG to add back to Delta's taxable income deductions for consumables used to make an income in the tax year • Whether the Special Court erred in allowing the deduction of royalties, by Delta when it was not a party to the agreement between the Dutch Company and its holding company for the use of the Dutch company's brands and trademarks • Whether the Special Court erred when it allowed Delta's deduction of payments of technical services without resolving whether or not such deductions contravened section 98 of the Income Tax Act • Whether the Special Court erred when it allowed Delta's deduction for inventory revaluation • Whether the Special Court was correct in reducing to 10 % the 50 % penalty imposed and waiving in full the interest charged
Decision date	<ul style="list-style-type: none"> • 1 June 2020 & 18 January 2022
Decision	<ul style="list-style-type: none"> • That Delta's appeal partially succeeds. • That the deductions for excess consumable stock were to be added back. • That the ZIMRA's appeal partially succeeded. • That the decision of the Special Court on technical services was set aside. • That this was so because the case was referred back to the Special Court.

The Facts

This is a reversal of the orders by the Special Court declared in the case of DEB (PVT) LTD versus ZIMRA. Delta (DEB) is a subsidiary of Delta Corporation (the Holding Company). The holding company entered into a franchise agreement with a Dutch Company, International Management BV (IMBV), which owned beverage trademarks. The holding company was obliged to pay to the franchisor royalty fees for the trademarks and also technical fees for the technical assistance provided by the holding company. IMBV undertook to provide to the local holding company its international expertise and know-how in the manufacture, management and distribution of beverages. The holding company was responsible for the payment of an annual fee equal to 1.5 % of the total Group turnover.

The holding company executed a royalty agreement, with the Dutch Company, which replaced the previous royalty agreement. Delta's board of directors resolved to execute an administrative and contractual services agreement with the holding company authorising the holding company to enter into administrative, technical and contractual services arrangements with third parties on its behalf. The exchange control authority granted authority to the holding company to pay royalties of up to 5 % to IMBV. Again the exchange control authority granted Delta authority to renew the TSA agreement and make payment of fees of up to 1.5 % of the Group's annual turnover and an additional 1 % of the holding company's turnover on another product in recognition of the invention, design and know-how of the franchisor.

The ZIMRA issued 6 amended Manual Notices of Assessment for Income Tax to Delta for the deduction for the royalties, technical fees and other expenses. Delta objected to the assessments. In response, the ZIMRA issued revised assessments and sent these to Delta without an explanation. In its revised assessments, the ZIMRA conceded several issues raised by Delta in its objection and reduced the total amount claimed. Again, Delta revised and re-lodged further objections. The ZIMRA disallowed all grounds of Delta's further objections. Aggrieved by that decision, Delta appealed to the Special Court for Income Tax Appeals. The Special Court partly allowed for some of the objection points and disallowed some. Aggrieved by the decision of the Special Court, Delta noted an appeal against part of the judgment to this Court. The ZIMRA cross appealed against part of the same decision.

Competing arguments

Issue	Court reasoning and decision
Whether the Special Court correctly found that the intent behind the ITA was to match expenses to income of a year and allow the deduction of prepayments	<ul style="list-style-type: none"> ▪ That the gross income, income and deductions are linked to a specific tax year. ▪ That sections 15(2) (a) as read with s 8(1) limits whatever amount received or accrued in favor of a person to "any year of assessment". ▪ That the inclusion of expenditure not consumed in the tax year and which does not relate to the production of income in that particular year is not permissible. ▪ That in this regard, unutilized consumables should not have been included in deductions made in the year of purchase. ▪ That in determining whether or not statutory prepayments can be deducted in the year of payment the Special Court was left without information by a party which had the onus to prove the issue. ▪ That the court was dealing with two opposed positions, i.e. the ZIMRA's assertion that these were prepayments in terms of statutory provisions and Delta's unclear position on why it was saying they are not statutory prepayments. ▪ That based on the evidence placed before it, the Special Court held that the Commissioner correctly disallowed the deduction of the prepayments in question. ▪ That it therefore did not find in favour of Delta as alleged by Delta.
Whether the Special Court erred in ordering the CG to add back to Delta's taxable income deductions for consumables	<ul style="list-style-type: none"> • That the Special Court had ordered the CG to issue further revised assessments and add back the deductions for consumable stock in their respective amounts to Delta's taxable income in respect of each tax year in issue. • That the Special Court intended to order that deductions for excess consumable stock in their respective amounts be added back to Delta's taxable income in respect of each tax year in issue. • That this is because it had specifically found that what could not be deducted are excess consumables and had found that those used in each tax year were deductible. • That the order of the Special Court for Income Tax Appeals was amended to bring into effect the clear intention of the Special Court for Income Tax Appeals.

Whether the Special Court erred in allowing the deduction of royalties by Delta when it was not a party to the agreement between the Dutch Company and its holding company?

- That the issue is whether or not Delta was a party to the agreements on the royalties, which were to be paid for or had ratified the agreements entitling it to claim its payments for them as deductions in its tax returns.
- That the agreements in terms of which royalties were payable were entered into by Delta Corporation or its predecessors in title and there is no specific mention of Delta.
- That there is however mention of Delta Corporation's subsidiaries.
- That it was common because that Delta is a subsidiary of Delta Corporation.
- That the deduction of royalties was in terms of the law.
- That the Special Court also found that it was "common ground that Delta and not the holding company operated the beverages business in the Group.
- That once it is established that Delta is the one which operated the beverages business and benefited from the contract between the Dutch company and the holding company, it follows that it lawfully deducted the royalties it paid to the Dutch company.

Whether the Special Court erred when it allowed Delta's deduction of payments of technical services without resolving whether or not such deductions contravened section 98 of the Income Tax Act?

- That the Special Court commented on its perception that there might have been tax avoidance in the manner in which the technical services agreement was concluded between the parties.
- That the Dutch company, Delta Corporation and Delta are related companies which could have colluded to agree on the payment to the Dutch company at 1.5 %.
- That the Special Court perceived that there might have been a case of tax avoidance by Delta's holding company and the Dutch company.
- That it was also apparent that it took no further steps to inquire into that possibility but proceeded to determine the appeal on other factors not connected to tax avoidance.
- That it thus left the issue of tax avoidance hanging as no further inquiry into it was made, nor did it make a decision on the issue.
- That the omission by the Special Court to determine the issue of tax avoidance will have the effect of allowing Delta to get away with tax avoidance, if that can be proved on inquiry.
- That the decision of the Special Court on this issue should be set aside.
- That the case should be referred back to it, for it to determine whether the agreements between the Dutch Co, Delta Corporation and Delta do not constitute tax avoidance.

Whether the Special Court erred when it allowed Delta's deduction for inventory revaluation?

- That what had to be determined in this issue was whether or not inventory revaluation which will have been taken into consideration in determining gross income can be deducted from Delta's taxable income.
- That Delta argued that it can be deducted because it takes into consideration that Delta's manufactured goods are valued at cost of direct material and direct labour.
- That it further submitted that the Income Tax Act allows the deduction of operating costs, part of which would have been deferred and carried in closing stock to be deducted at the time the taxpayer prepares its tax returns.
- That the ZIMRA argued that allowing the deduction without taking into consideration the operating costs would result in a double deduction.
- That the Special Court's analysis together with Delta's explanation of the inventory revaluation means that the cost of sales figure comprises only the direct manufacturing and labour costs, leaving out the operating costs to be deducted in the year in which they are incurred.
- That the inclusion of operating costs in the revaluation, is the determinant factor.
- That Delta made it clear that in valuing gross profits only direct material costs and direct labour costs are taken into consideration.
- That the judge was satisfied that the inventory valuation costs were correctly allowed.

Whether the Special Court was correct in reducing to 10 % the 50 % penalty imposed and waiving in full the interest charged?

- That it is trite that the Special Court exercises its own unrestricted discretion in determining the appropriate penalties.
- That the Special Court justified why the penalty of 50 % was not warranted.
- That it was because the figure initially claimed by the ZIMRA had dropped significantly pursuant to the objections Delta had made to the ZIMRA.
- That the Special Court set aside the CG's revised assessments and directed him to issue further revised assessments allowing Delta's deductions specified in its order.
- That this had the effect of further reducing Delta's liability for tax from the ZIMRA's initial reassessment.
- That the amount owed, and the reasons for the delay in paying tax, has a bearing on the penalty and interest to be charged.
- That the Special Court correctly determined the issue of penalty and interest.

Decision

- That Delta's appeal partially succeeded.
- That the Special Court erred in ordering the CG to add back the deductions for consumable stock in each tax year in issue and this is so as it had found that consumables which had been used in each tax year were deductible.
- That the ZIMRA succeeded in respect of the deduction of technical services.
- That this is so as the Special Court should have determined the aim of tax avoidance for the agreement between the Dutch Company and Delta's holding company.
- That the Special Court's decision on that issue will be set aside and the matter will be remitted to the Special Court for it to determine the issue of tax avoidance.
- That both parties partially succeeded in their appeals and in resisting the major parts of each other's appeal.

Decision Impact

It is important for tax payers to be well knowledgeable of the tax legislation and apply it in processing objections against ZIMRA assessments. This is so because the ZIMRA's assessments may be overstated due to a misinterpretation of the law by the ZIMRA. Furthermore, the deductibility of consumable stocks remains an issue for most tax payers. It is important to note that opening stocks are deductibles whilst closing stocks are added back to the income. This then allows for the deductions of stocks used in a year of assessments.



4. Technical interpretation

VAT on imported services is claimable

The law and interpretation

The definition of input tax was amended with effect from 1 January 2020 to include tax incurred by a registered operator on the importation of services by him. This means that VAT on imported services (VIS) incurred by registered operator is claimable as input tax credit with effect from 1 January 2020. It is in the circumstances where the services concerned are imported by the registered operator wholly for the purpose of consumption, use or supply in the course of making taxable supplies or, where the services are acquired by the registered operator partly for such purpose that input tax is claimed. Therefore, where part of the services are for purposes of consumption, use or supply in the course of making non-taxable supplies VAT on imported services applicable on services used to produce such supplies is non-claimable. The operator must hold an invoice of the imported services together with the receipt for the VAT paid on the importation of services which are for use in making taxable supplies before he can claim the input tax credit. This creates financial implication for the operator due to deferral of input tax claim until the VIS is fully paid to the ZIMRA. Registered operators should note further that VAT on imported services is payable within the 30 days of time of supply whereas input tax can be claimed any time after the VIS has been paid to the ZIMRA. However, there is no limit as to how far it can be claimed into the future because the claim is made on the basis of an invoice as opposed to a fiscal tax invoice whose life span for purposes of claim should not exceed 12 months from the date of the tax invoice.

Decision Impact

The “pay first and claim later” comes with some administrative burden and cash flow implications to operators. This requires taxpayers to remit VIS on time to facilitate early claim.

Special initial allowance regularized

The law and interpretation

An amendment has been effected in respect of special initial allowance to regularise current practice which was not through the force of law because the SIA claim was ending in December 2013. The amendment is being made to paragraph 9 of the 4th Schedule to the Income Tax Act (Chapter 23:06) by insertion of paragraph (h) after paragraph (g) which reads as follows: “*The special initial allowance referred to in paragraph 2 shall, if it is allowed in the year of assessment beginning— (h) on the 1st January, 2014, or on any subsequent year of assessment, be a sum equal to twenty-five per centum.*”.

Decision Impact

This amendment seeks to confirm the practice that was being carried out since 2014 to date without any supporting legislation to that effect. The spirit and purport of the law has always been to allow for the claiming of special initial allowance on qualifying capital items. The amendment ratifies all the capital allowance claims that were being made from 2014 to date.

CGT rollover on pre 22nd February 2019 acquisitions

The law and Interpretation

5% CGT is charged on the disposal of specified assets acquired prior to 22nd of February 2022 and sold thereafter. The 5% is levied on the gross capital amount (gross proceeds). Meanwhile, section 15 (1) (b) of the CGT Act provides for a special treatment of CGT for related parties. If the transfers are effected between related parties, the transferor and the transferee may elect that the selling price of the asset shall be deemed to be the sum of the deductions allowable to the transferor who is the seller, such that there is no capital gain on the transaction. However one of the condition for the relief to be granted is that the transferor must have deductions in terms of section 11 (2) (a) to (d). The specified asset will be deemed transferred at base cost (amount equal to section 11(2) (a) to (d)) at the date of transfer, notwithstanding any price paid in exchange of the specified asset. The base cost will then become the price to be used by the transferor capital gains tax and the cost of the specified asset to the transferee. It is therefore submitted that the transfer value shall be the sum of intragroup original cost of specified asset, its cost of improvement (enhancement cost), inflation allowance on original cost and cost of improvement as well intragroup selling cost. Whereas, where capital gains tax is fixed as a percentage of gross proceeds, the law does not permit any deductions to be made. In this case the gross capital amount will be used for purposes of computing CGT at 5% for specified assets acquired or constructed prior 22nd of February 2019 and sold thereafter. In the absence of such deduction being available to the transferor, the roll over provisions are not applicable.

Decision Impact

Taxpayers should take advantage of group reliefs upon transfer of assets to related parties. However where the CHT is computed based on gross capital amount this relief appears unable.

Updates on the OECD transfer pricing guidelines

The law and interpretation

The Organisation for Economic Co-operation and Development (OECD) recently released the 2022 edition of the OECD Transfer Pricing Guidelines. This edition has issues of the Base Erosion and Profit Shifting (BEPS) Project. Of interest in this report is the revised guidance on the application of the Transactional Profit Split Method.

The Transactional Profit Split Method is a transfer pricing method that identifies the combined profits of the involved associated enterprises and split them among the parties in terms of the contribution made by each enterprise in arm's length dealings. The contribution should be based upon a functional analysis and valued where possible by any available reliable external market data or by internal data in the absence of external data.

In the new edition, the basic premise of the profit split method remains unchanged, that is it is still to apply where it is found to be the most appropriate method to use in a particular case. The revised guidance however is intended to clarify and expand on when the method may be the most appropriate method. It also expands on how the profit split method should be applied, including determining the relevant profits to be split and the appropriate profit-splitting factors. The revised guidance also includes several examples illustrating the principles discussed.

Decision Impact

The revision has an implication to Zimbabwe because the Transaction Profit Methods is among the TP methods that are used in Zimbabwe. Furthermore, the 35th Schedule of the Income Tax Act (Chapter23:06) has directed the used of the OCED TP guidelines in interpretation of the local TP rules.



5. Announcement and Interpretations

Appointment of the Acting CG

Background

The ZIMRA Board has appointed Ms Regina Chinamasa as the Acting Commissioner General (CG) of the Authority with effect from 1 February 2022, whilst a substantive CG is being sought. Ms Chinamasa takes over from Mr Masaire who is retiring from the Authority effective 31 January 2022.

Ms Chinamasa is a tax expert with over 28 years of diverse experience in the field of revenue mobilisation and enforcement of compliance to fiscal laws. She is currently the Commissioner for Revenue Assurance in which position she is credited for introducing various processes that are plugging revenue leakages through modern investigative and compliance systems. She also has vast experience in domestic taxes and customs and excise fields. Ms Chinamasa started her career as a Tax Assessor in 1994 in the then Department of Taxes and joined the Investigation Division of ZIMRA at its inception in 2001. She moved to Customs and Excise in 2011 as Head of Compliance and Risk Management. She was part of the team that introduced the authorised economic operators (AEOs) trade facilitation, post clearance audits among other innovations. From 2014, she moved to Domestic Taxes and served in various leadership roles from Head level to acting as Commissioner Domestic Taxes between 2016 and 2018. During her career, she led various strategic and transformative initiatives and processes which resulted in improved stakeholder engagements, improved compliance levels and reinforcement and strengthening of revenue collection processes of the Authority.

Decision Impact

The position for the CG has been changing hands from the coming in of Ms Faith Mazani in 2018, who resigned from the post in January 2021. However, we hope that the appointment of Ms Chinamasa as the acting CG will assist in filling up the gap in the ZIMRA's organizational structure.

Excise return submission and payment

Background

The ZIMRA, through public notice 15 of 2022 has reminded all Airtime Operators, Spirit Rebate Users and Excise Manufacturers that returns and payment of duty are due on the following dates:

Airtime Operators	Spirit Rebate Users	Excise Manufacturers
10th day of the month following the month to which the return relates.	14th day of the month following the month of removal from licensed premises.	20th day of the month following the month of removal from licensed premises.

The public notice went on to address the following issues:

How to submit the due return?

Taxpayers are advised to scan and email the completed return using the applicable/relevant email address selected from the list below. Please note payment should be done through submission of a bill of entry (Form 21).

Station	Email address
Bulawayo	Excisereturnsbulawayo@zimra.co.zw
Chiredzi	Excisereturnschiredzi@zimra.co.zw
Harare	Excisereturnsharare@zimra.co.zw
Mutare	Excisereturnsmutare@zimra.co.zw
Victoria Falls	Excisereturnsvictoriafalls@zimra.co.zw

Outstanding returns and debts

Clients who are in arrears with regards to excise returns and/or payments are required to settle the amounts forthwith. ZIMRA urges its valued clients to file their returns and pay taxes due on time and in full to avoid penalty, interest or possible suspension or cancellation of the license.

Decision Impact

Taxpayers should take note of the return and payment due dates to ensure they are religiously followed and adhered to. Implementation of that reduces risks of interests and penalties building up In the ZIMRA accounts, which can hinder taxpayers from securing tax clearances.



Our Contact Details

For a detailed discussion of how these issues might affect your business and our other group offerings, please contact:

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7. Disclaimer Clauses

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