

MONTHLY TAX UPDATE

June 2021

Our Contact Details

No. 46 Van Praagh Ave, Milton Park, Harare
Email: info@matrixtaxschool.co.zw
Cell: +263 775 911 383
Tel: +263 (242) 252 816

Contents

1. NSSA legislative updates.....	3
2. The Securities Registration, Licensing and Corporate Governance fees	4
3. Alternative trading platform registration fees	5
4. Documentary evidence as burden of proof in tax cases	6
5. Golden rule in interpretation of statutes.....	9
6. Tax Reliefs under SA double taxation agreement.....	10
7. Claims for use of personal vehicles	11
8. When to apply each of the five TP methods?	11
9. ZIMRA guidance on income tax in foreign currency	14
10. Implementation of automated e-road cargo manifest.....	15
11. Contacts.....	15
12. Disclaimer Clauses.....	16

-



We are honoured to present our June 2021 Monthly Tax Update (“MTU”) which is designed to keep businesses and individuals informed of the latest tax issues and also bring value to both. Through our MTUs, we analyse tax developments to ensure that our valued clients are kept in tune with changes in the tax arena. It is our sincere hope that these MTUs will keep our clients updated with information that includes changes in tax and other related laws, court decisions, announcements and interpretations that bring relevancy to the business environment. We summarise the contents of this issue as follows:

NSSA legislative updates: Hefty NSSA contributions and penalties have been gazetted.

The Securities Registration, Licensing and Corporate Governance fees: SI 155 of 2021 was published to amend the fees applicable under the Securities Registration, Licensing and Corporate Governance rules which were published in SI 100 of 2010. The amendment of the fees is with effect from 11 June 2021

Alternative trading platform registration fees: The Minister of Finance and Economic Development has revised the fees for registration and renewal of alternative securities and exchange trading platforms.

Documentary evidence as burden of proof in tax cases: Taxpayer lost case due to lack of documentary evidence.

Golden rule in interpretation of tax statutes: The article looks at one of the most important legislative guidelines that can be useful in dispute resolution, i.e., the ‘golden rule’ of statutory interpretation.

Tax reliefs under SA double taxation agreement: The article preview the benefits offered under the SA/Zim DTA.

Claims for use of personal vehicles: Employees using personal vehicles on their employers’ businesses are entitled to tax free recovery of the mileage, subject to a few rules.

When to apply each of the 5 TP methods: This is an explanation of the existing TP methods and the risks and benefits of each method, and how to choose a TP method to adopt.

Submission of Income tax returns: This is public notice 57 of 2021 published as a reminder for the ITF 12 C return due date and income tax computation alerts when trading has taken place in foreign currency.

Implementation of automated e-road cargo manifest: This is the public notice 53 of 2021 on implementation of the e-road cargo manifest system.

Matrix Tax School would like to urge you all to take caution in this period of the Covid-19 outbreak and remember to follow all the hygiene guidelines recommended by authorities!!!

Marvellous Tapera
Chief Executive officer
 +263 772 349 740



1. NSSA legislative updates

The law and Interpretation

SI 169 of 2021 makes various changes to the NSSA laws WEF the 11th of June 2021 as follows:

Monthly contributions

- The maximum amount of monthly insurable earnings is revised from ZWL\$ 5,000 to 75% of the previous month's Total Consumption Poverty Line (TCPL) for an average of five persons per household, effective from 1 June 2021.
- In the absence of TCPL figure or has not been published, the last published figure remains applicable.
- The national TCPL figures are published by Zimbabwe National Statistics Agency (ZIMSTAT).
- NSSA will in turn publish the monthly insurable earnings applicable for each month by the 1st of each month on the NSSA website (www.nssa.org.zw).

Late registration penalties review

- Any employer who fails to comply with the requirements to register for NSSA shall be liable a fine not exceeding level five or to imprisonment for a period not exceeding six months or to both
- Additionally, the offender is liable to pay a surcharge of ZWL\$10 000 for each month of late registration up to a maximum of ZWL\$200 000.

Return due date penalty

- Any employer who fails to comply with the return due dates shall be liable to a fine not exceeding level five or to imprisonment for a period not exceeding six months or to both
- A further surcharge of ZWL\$1 000 per day for each day beyond 90 days that the return was due up to a maximum of ZWL\$200 000.

Rates of retirement pension contributions

- The rate of retirement pension has been updated to ZWL\$ 2 100 with a 100% increase across the board with effect from 1st April, 2021.

Rate of retirement grant

- Insurable earnings for contributors who contributed for less than 120 months, whose contributions were in Zimbabwe dollars on or before 1st April, 2009, shall be deemed to be ZWL\$ 10 200 per month for purposes of calculating the retirement grant.
- All claims submitted on or before 25th February, 2019, and not paid shall be calculated using the above deemed amount.

NSSA in foreign currency

- Any person in Zimbabwe earning remuneration in foreign currency shall pay his/her contributions in foreign currency.
- For purposes of applying the contribution rates, the income earned in United States dollars shall be converted to its equivalent Zimbabwe dollars at the prevailing interbank rate when the income is paid.

- If income is denominated in a foreign currency other than the United States dollars, the equivalent amount in United States dollars shall be calculated using the international cross rate of exchange of that currency in United States dollars prevailing on the day the income is paid.
- Where an individual earns remuneration in a combination of United States dollars and Zimbabwe dollars, for purposes of calculating the contributions due, the incomes earned shall be treated separately.

Benefits and allowances in calculating NSSA liability

- Where the basic salary is below the maximum insurable earning threshold and allowances and other benefits exceed the basic salary by 100%, the allowances and benefits shall be grossed up and deemed to be the salary for purposes of establishing the insurable earning.

Decision Impact

Employers should take note of the changes to ensure compliance and avoid the hefty penalties as published. Meanwhile, the payment of NSSA in foreign currency earnings further complicates PAYE computations.

2. The Securities Registration, Licensing and Corporate Governance fees

The law and Interpretation

SI 155 of 2021 amends the fees applicable under the Securities Registration, Licensing and Corporate Governance rules which were published in SI 100 of 2010. This is with effect from 11 June 2021.

Details	Fees ZWL\$
• Initial registration of a securities exchange	414,000
• Annual registration fee for securities exchange	230,000
• Replacement of certificate of registration or license	2,300
• Notification of change of name, address or prescribed particulars of holder of license	2,300
• Application for—	
a. securities (dealing firm)	230,000
b. securities (dealer) license	75,000
c. securities (authorized dealer) license	75,000
d. securities (client liaison) license	41,042
e. securities (transfer) license	82,800
f. securities (trustee) license	300,000
g. securities (custody) license	336,000
h. securities (investment advisers) license	75,000
i. securities (investment management) license	300,000
j. securities (multiple) license	414,000
• Renewal of —	
a. securities (dealing firm) license	120,000
b. securities (dealer) license	25,000
c. securities (authorized dealer) license	20,000
d. securities (client liaison) license	23,000

Decision Impact

The fee amendments are yet another inflationary adjustment owing to the loss in value of the Zimbabwe

dollar currency. The price increases however add to cost of doing business of the affected entities.

3. Alternative trading platform registration fees

The law and Interpretation

The Minister of Finance and Economic Development has, in terms of s118(6) of the Securities and Exchange Act [Chapter 24:25] revised the fees for registration and renewal of alternative securities and exchange trading platforms. This is through SI 154 of 2021 which also repeals SI 266 of 2019 WEF 11th of June 2021.

Details	SI 266 of 2019	SI 154 of 2021
Initial registration fees	ZWL\$ 50,000	ZWL\$ 207 000,00
Annual renewal fees	ZWL\$ 40,000	ZWL\$ 184 000,00

Decision Impact

The increases in the fees are basically an inflationary adjustment. However just like any implication of inflation in the economy, the fee rises are likely to discourage investment.



4. Documentary evidence as burden of proof in tax cases

Case name	CSE (PVT) LTD vs ZIMRA HH 270-21 ITC 16/18
Summary Facts	<ul style="list-style-type: none"> • CSE had an audit from ZIMRA to verify income tax payable. • CSE then lodged, with the ZIMRA, its objection to the additional assessments. • In the objections, CSE raised several issues to do with the allowance of deductions and exemptions of incomes. • The ZIMRA considered and rejected CSE’s objections. • In dismissing the objections, the ZIMRA commented that according to the information before it, CSE was granted special initial allowances on capital assets for the periods where documentary evidence was submitted. • Also, the ZIMRA commented that the burden of proof that any amount is exempt or is subject to any deduction is upon the person making such a claim. • CSE failed to produce documentary evidence to substantiate that the amounts reflected in the bank statements were not sales. • The ZIMRA therefore disallowed the relative grounds of appeal. • Accounting fees were disallowed due to inconsistencies in documents submitted. • After its objections was rejected by the ZIMRA, CSE filed its notice of appeal.
Jurisdiction	<ul style="list-style-type: none"> • The High Court of Zimbabwe
Issues for determination	<ul style="list-style-type: none"> • Whether CSE’s expenses and claims are, in law, allowable deductions for the purposes of determining payable income tax by CSE?
Date of decision	<ul style="list-style-type: none"> • 1 December 2020 and 1 June 2021
Decision	<ul style="list-style-type: none"> • That CSE failed to prove the ZIMRA wrong, hence the appeal was dismissed.

The Facts

CSE was audited by the ZIMRA where upon it was discovered it underpaid its income tax. Then CSE received a demand for payment of the tax debt inclusive of 100% penalty without detailed assessments. CSE lodged with the ZIMRA its objection to the additional assessments. In the objections, CSE raised several issues. CSE had chosen to minimize its tax liability by legally utilizing tax incentives granted by statutes by making an election of SIA instead of wear and tear. Although in regards to capital allowances for qualifying assets no adjustments were done in the audit report by the ZIMRA. CSE had also incorrectly taxed bank deposits since not all deposits were sales, but rather part of the deposits constituted loans secured from Joubert Crushers and Transport (Joubert Crushers). Furthermore, in 2014 CSE sold fixed assets, which had been used for transport business from 2010 to 2013. These were capital receipts, which arose from disposal of fixed assets. Further, CSE had a debtor’s balance which

was a loan receivable advanced to Daniel Mahonye for the purchases of assets and related costs. CSE incorrectly disallowed accounting services and advisory services offered by C Mutangadura.

The ZIMRA considered and rejected CSE’s objections. In dismissing the objections, the ZIMRA commented that according to the information before it, CSE was granted special initial allowances on capital assets for the periods where documentary evidence was submitted. Also, the ZIMRA commented that in terms of section 63 of the ITA the burden of proof that any amount is exempt from or not liable to the tax or is subject to any deduction in terms of this Act or credit, shall be upon the person claiming such exemption, non-liability, deduction or credit. In the absence of acceptable evidence that expenditure was incurred, ZIMRA had no option but to disallow. Furthermore, the ZIMRA was in agreement with CSE that transacting between related companies is not prohibited at law. However, such transactions should be done at arm’s length and that the burden of proof lies with CSE not the ZIMRA that the transactions were at arm’s length.

Issue	Court reasoning and decision
Whether CSE’s expenses and claims are tax deductible	<ul style="list-style-type: none"> • That the answer to the question is found in s 15(2) and 63 of the Income Tax Act. • That s 15 (2) provides for the deduction of expenditure and losses incurred for trade or in the production of the income, with exceptions to capital expenditures. • That before any costs are made a tax payer should meets 15(2) requirements. • That s 63 of the ITA provides that the burden of proof that any amount is not liable to tax or subject to deduction is upon the taxpayers making such a claim. • That s 63 further states that a court shall not reverse decisions by the CG unless it is shown by the taxpayer that the decision is wrong. • That CSE had not fully discharge the burden placed on it by the law to prove entitlement to the claimed deductibles. • That though CSE alleged use of unauthenticated documents, it however does not dispute the fact that the ZIMRA relied on documents that were availed to it. • That there was no proof that the ZIMRA tempered with any of CSE’s documents. • That CSE did not give evidence that the said unauthenticated documents should have been rejected by the ZIMRA due to the alleged tempering. • That according to CSE, the alleged loan which the ZIMRA disputed was only submitted it after additional assessments had been made. • That after assessments were issued the loan contract was attached to the objection. • That the ZIMRA concluded that the alleged existence of a loan was a scheme intended to benefit CSE in terms of tax and was not genuine. • That the court cannot blame the ZIMRA for using the documents that were before it when the assessments were made. • That all the issues raised were centered on whether or not certain expenses and claims are allowable deductions according to section 15(2) of the Act. • That CSE’s evidence consisted of accusations of the ZIMRAs representatives of being impartial and unprofessional in their dealings. • That with respect to ownership of assets i.e., vehicles, CSE dismally failed to prove that it indeed owned the vehicles that it claimed to have sold as its own. • That CSE further failed to fully dismiss charges of in-house loans and false information relating to status of one employee namely Mr Mutangadura. • That the schedule from the ZIMRA Head Audits in Mutare has altered invoices for

Decisions	<p>the period under audit.</p> <ul style="list-style-type: none"> • That this is the conduct that the ZIMRA could not ignore when dealing with the entire evidence of CSE. • That in addition to s15(2) and 63, s47 of the Act gives authority to the ZIMRA to make additional assessments. • That the Commissioner has a right to detect and enforce how tax liabilities shall be conducted and calculated. • That however there is indeed no evidence brought before me by CSE to prove its case as required by section 63 of the Act. • That all the grounds of appeal point to the issue whether or not certain claims and expenses claimed by CSE are allowable deductions according to S 15(2). • That with CSE having failed to satisfy the burden imposed on it by section 63 this appeal had to be dismissed with each party bearing its own costs. • That the court found no reason to interfere with the penalty imposed by the ZIMRA.
	<ul style="list-style-type: none"> • That the appeal was dismissed.

Decision Impact

Although it is important that taxpayers are fully aware of which expenses are allowable and which incomes exempted, the burden is upon them to prove this entitlement and documentary assist in discharging the burden. Failure to do so the ZIMRA is entitled to its treatment of item.



5. Golden rule in interpretation of statutes

Background

The legislation is generally modelled with a greater proportion towards the protection of the fiscus' interests. However, the statutes are unclear the outcome is to favour taxpayers. This article looks at the principle in interpreting unclear provisions i.e., the 'golden rule' of statutory interpretation.

The law and interpretation

When interpreting a piece of legislation, it is important to ascertain the intention of the lawmaker (the legislature) in a particular provision. The most critical rule of interpreting statutes is that words in a Statute must be given their ordinary and natural meaning. This approach in interpretation of a statute is driven by the courts' desire to determine the intention of the legislature. To arrive at the intention of the legislature, the general approach is first to examine a statute for its ordinary grammatical meaning unless to do so leads to an absurd result. This rule represents the golden rule to interpretation of statutes. This principle has been consistently applied by our courts and can be a very useful defensive mechanism for taxpayers during disputes. For instance, in *Sunfresh v ZIMRA HB 78-04*, the taxpayer, a safari operator in Zimbabwe, engaged a foreign agent to market its services to would-be customers outside Zimbabwe, and the agent would receive its commission on its sales from the client. Payments of the commission were made to the agent outside Zimbabwe by the client outside Zimbabwe. ZIMRA claimed that tax ought to have been paid on the commissions and had sought an order to freeze the taxpayer's account in Zimbabwe for failing to withhold the Non-Resident Tax on Fees. The taxpayer then sought an order barring ZIMRA from doing this. It argued that "fees" as provided for in terms of Section 30 of the ITA (ARW the 17th Schedule) referred only to funds whose source is from within Zimbabwe, and that the definition of "payer" in terms of the schedule excluded the taxpayer.

In arriving at the proper interpretation of the provision in dispute, the Court looked at the definitions given under the 17th Schedule dealing with Non-Residents Tax on Fees. In essence the Schedule provides that nonresident's tax on fees shall be collected in Zimbabwe. The court noted that the word "fees" is defined as any amount from a source within Zimbabwe payable in respect of any services of a technical, managerial, administrative or consultative nature, and that the governing rule of statutory interpretation (the golden rule) "is to endeavor to ascertain the intention of the lawmaker from the study of the enactment in question and there is no doubt that the literal grammatical meaning of the words must give way to that rule". Based on this, the court observed that the definition of "fees" in the Act limits the meaning to an amount whose source is within Zimbabwe. Since the payments for the agent's marketing were done by the client outside Zimbabwe, the source of the commission was not Zimbabwe and therefore no withholding tax on fees was payable.

Decision Impact

Rules of statutory interpretation are principles that guide the courts in ascertaining the ‘intention of the legislature’. Such rules play important roles in favor of taxpayers in the case of tax disputes.

6. Tax Reliefs under SA double taxation agreement

Background

Double taxation occurs when two states impose a comparable tax on the same taxpayer or when two or more people are taxed on the same income. Double tax treaties were created to solve the issues around double taxation, tax evasion and double non taxation. We preview SA /ZIM DTA.

The law and interpretation

Zimbabwe has a number of DTAs with several countries. One example is the South Africa- Zimbabwe DTA which has various tax incentives available for Zim taxpayers as follows:

Item	Incentives
Income from immovable property	<ul style="list-style-type: none"> Income by immovable property to be taxed where the property is situated.
International transport	<ul style="list-style-type: none"> Only taxable in the country the enterprise is resident
Dividend	<ul style="list-style-type: none"> 5% WHT if a beneficial owner controls 25% of the capital of the company paying the dividend. 10% in all other cases
Interest	<ul style="list-style-type: none"> Withholding tax not to exceed 5% of gross interest Exemption from WHT government related, central bank or listed stock related interest Non-arm’s length interest (excess interest) 15% withholding tax
Royalties	<ul style="list-style-type: none"> WHT on royalties paid to a resident of a Contracting State shall not exceed 10% of gross royalty. The country of resident is also given the right to tax the royalty Non-arm’s length royalties (excess royalties) subject to 15% withholding tax
Technical fees	<ul style="list-style-type: none"> Withholding tax on technical fees reduced to not more than 5% of gross fees Non-arm’s length technical fees (excess fees) subject to 15% withholding tax
Capital gains	<ul style="list-style-type: none"> Gains from immovable property and shares in an investment company (co. owning immovable property) to be taxed where the property is situated. Gains from alienation of movable forming part of business property of PE and gains from alienation of such PE to be taxed where the PE is situated. Gains from alienation of ships, aircraft, rail or road transport vehicles operated in international traffic or associated movable property to be taxed in person’s country of residence. Gains from alienation of shares or property not mentioned above to be taxed in the country the alienator is resident.
Employment income	<ul style="list-style-type: none"> Remuneration or profits of employees of professional services to be taxed in the country the services are rendered, but in the home country if period of

services in the other country is less than 183 days.

- Remuneration from employment aboard a ship, aircraft, road or rail transport vehicle operated in international traffic taxed where enterprise is resident

Decision Impact

The knowledge of DTAs is important for taxpayers in enabling utilisation of incentives. Taxpayers engaged in international trade must consider DTAs in their investment and tax payments decisions.

7. Claims for use of personal vehicles

Background

Employees using personal motor vehicles on employer's business should be reimbursed using Automobile Association of Zimbabwe (AAZ) rates. This covers the cost of running the employee's vehicle depending on the carrying capacity, license, insurance, depreciation value and fuel.

The law and interpretation

Employers may pay a mileage allowance to employees who use their own cars on business journeys. The business mileage should be recovered using AA rates. The rates do not prevent employers from paying higher rates, but any excess will be subject to PAYE. AA rates are published by the Automobile Association of Zimbabwe for its members for free, and are sold to non-members. The rates are published in USD and RTGS values, hence employees who incur expenses in either one of the currencies can claim them using the respective currency in which the cost is incurred.

The AA rates are affected by various factors inclusive of the costs of fuel, vehicle spare parts and the wear and tear cost of vehicles. Use of the AA rates causes some distortions with the costs incurred by an employee whilst undertaking the employer's business as a result of the disparity between the interbank rate and parallel rate, which is of course a result of the inflation that has been affecting the nation since late 2019. This makes use of the rates in recovering the employee's expenses irrational.

Decision Impact

Employees should use the AA rates recover business mileage. They have the option to use foreign currency tables but if this result in excess recovery, there is deemed foreign currency remuneration.

8. When to apply each of the five TP methods?

Background

The article provides an insight regarding the factors to consider when choosing a TP method focusing on the pros and cons of each method in order to reduce any tax dispute with the revenue authority.

The law and interpretation

Comparable Uncontrolled Price Method (CUP)

The CUP method compares the price and conditions of products or services in a controlled transaction with those of an uncontrolled transaction between unrelated parties. CUP method requires comparable data. In order to be considered a comparable price, the uncontrolled transaction has to meet high standards of comparability. In other words, transactions must be extremely similar to be considered comparable under this method. The OECD recommends this method whenever possible. It's considered

the most effective and reliable way to apply the arm's length principle to a controlled transaction. That said, it can be very challenging to identify a transaction that's appropriately comparable to the controlled transaction in question. That's why the CUP method is most frequently used when there's a significant amount of data available to make the comparison.

The Resale Price Method (RPM)

The RPM uses the selling price of a product or service, i.e., the resale price. This number is then reduced with a gross margin, determined by comparing the gross margins in comparable transactions made by similar but unrelated organizations. Then, the costs associated with purchasing the product—such as customs duties—are deducted from the total. The final number is considered an arm's length price for a controlled transaction made between affiliated companies. When appropriately comparable transactions are available, the resale price method can be a very useful way to determine transfer prices, because third-party sale prices may be relatively easy to access. However, the resale price method requires comparable with consistent economic circumstances and accounting methods. The uniqueness of each transaction makes it very difficult to meet resale price method requirements.

The Cost-Plus Method (CPLM)

The CPLM works by comparing a company's gross profits to the overall cost of sales. It starts by figuring out the costs incurred by the supplier in a controlled transaction between affiliated companies. Then, a market-based markup—the "plus" in cost plus—is added to the total to account for an appropriate profit. In order to use the cost-plus method, a company must identify the markup costs for comparable transactions between unrelated organizations. The cost-plus method is very useful for assessing transfer prices for routine, low-risk activities, such as the manufacturing of tangible goods. For many organizations, this method is both easy to implement and to understand. The downside of the cost-plus method (and really, all the transactional methods) is the availability of comparable data and accounting consistency. In many cases, there are simply no comparable companies and transactions—or at least not comparable enough to get an accurate, reliable result. If it's not an apple-to-apple comparison, the results will be distorted and another method must be used.

The Comparable Profits Method (CPM)

The CPM, also known as the transactional net margin method (TNMM), helps determine transfer prices by looking at the net profit of a controlled transaction between associated enterprises. This net profit is then compared to the net profits in comparable uncontrolled transactions of independent enterprises. The CPM is the most commonly used and broadly applicable type of transfer pricing methodology. As far as benefits go, the CPM is fairly easy to implement because it only requires financial data. This method is really effective for product manufacturers with relatively straightforward transactions, as it's not difficult to find comparable data. The CPM is a one-sided method that often ignores information on the counterparty to the transaction. Tax authorities are increasingly likely to take the position that the CPM is not a good match for organizations with complex business models, such as high-tech companies with intellectual property. Using data from companies who do not meet the OECD's standards of comparability creates audit risk for organizations.

The Profit Split Method (PSM)

This approach examines the terms and conditions of interrelated, controlled transactions by figuring out how profits would be divided between third parties making similar transactions. One of the main benefits of the PSM is that it looks at profit allocation in a holistic way, rather than on a transactional basis. This can help provide a broader, more accurate assessment of the company's financial performance. This is especially useful when dealing with intangible assets, such as intellectual property, or in situations where there are multiple controlled transactions happening at a time. However, the PSM is often seen as a last resort because it only applies to highly integrated organizations equally contributing value and assuming risk. Because the profit allocation criteria for this method is so

subjective, it poses more risk of being considered a non-arm's length outcome and being disputed by the appropriate tax authorities.

Decision Impact

In choosing the best transfer pricing method, there are a number of factors to consider as each method takes a slightly different approach and has associated benefits and risks. There's no right or wrong method, but only the one that best fits a company's business model. Therefore, taxpayers should make a careful analysis of the TP methods available to identify the one that best suits the transaction.



9. ZIMRA guidance on income tax in foreign currency

Background

The ZIMRA has through public notice 57 offered guidance on 2020 income tax returns where one has traded in foreign currency. It states that Income Tax Returns (ITF 12C) are to be completed in Zimbabwe Dollars but the Commissioner General can accept returns completed in foreign currency.

The law and interpretation

Income Tax Returns (ITF12C)

Taxpayers with gross income in both local and in foreign currency can prepare and submit separate income tax returns for taxable income accrued or received in the respective currencies. They must submit an application in writing to the CG detailing their positions and attach the Income Tax Returns. The return in foreign currency must be submitted manually using e-mail addresses as below.

Taxpayers with gross income mainly in foreign currency but with allowable deductions in local and foreign currency may prepare and submit a single income tax return in foreign currency. They must submit an application in writing to the CG detailing their positions and attach the Income Tax Returns.

Basis of splitting tax liability

In preparing the income tax returns, where apportionment of allowable deductions is required, for purposes of submission of separate returns, taxpayers shall apportion based on the contribution of the respective currencies to total turnover method or any another method as the CG may approve on request.

Emails for submission of returns

Income Tax Returns are submitted on line on <http://efiling.zimra.co.zw>. Those that fail to go through the E-services platform should be submitted manually through email addresses provided below:

- LCO INCOME TAX RETURNS- incometaxlcoreturn@zimra.co.zw
- MCO INCOME TAX RETURNS- incometaxmcoreturn@zimra.co.zw
- SCO INCOME TAX RETURNS- incometaxscoreturn@zimra.co.zw
- BULAWAYO INCOME TAX RETURNS- mhlahlandelareturn@zimra.co.zw
- VICTORIA FALLS INCOME TAX RETURNS -vicfallsreturn@zimra.co.zw
- HWANGE INCOME TAX RETURNS - hwangereturn@zimra.co.zw
- GWANDA INCOME TAX RETURNS - gwandareturn@zimra.co.zw
- BEIT BRIDGE INCOME TAX RETURNS- beitbridgereturn@zimra.co.zw
- MASVINGO INCOME TAX RETURNS- masvingoreturn@zimra.co.zw
- MUTARE INCOME TAX RETURNS -mutarereturn@zimra.co.zw
- GWERU INCOME TAX RETURNS - gwerureturn@zimra.co.zw
- CHIREDDI INCOME TAX RETURNS - chiredzireturn@zimra.co.zw
- ZVISHAVANE INCOME TAX RETURN - zvishavanereturn@zimra.co.zw

- CHIPINGE INCOME TAX RETURNS - chipingereturn@zimra.co.zw
- RUSAPE INCOME TAX RETURNS - rusapereturn@zimra.co.zw
- KWEKWE INCOME TAX RETURNS - kwekwereturn@zimra.co.zw
- KADOMA INCOME TAX RETURNS - kadomareturn@zimra.co.zw
- CHINHOYI INCOME TAX RETURNS - chinhoyireturn@zimra.co.zw
- KARIBA INCOME TAX RETURNS - karibareturn@zimra.co.zw
- MARONDERA INCOME TAX RETURNS - maronderareturn@zimra.co.zw
- BINDURA INCOME TAX RETURNS - bindurareturn@zimra.co.zw

Decision impact

Late returns and tax payments attracts interest and penalties. Meanwhile, the computation of income tax in foreign currency should be carefully prepared. Taxpayers under the Medium and Large Clients Office are to submit their returns by the 31st of July and 31st of August 2021 respectively.

10. Implementation of automated e-road cargo manifest

Background

The ZIMRA wishes to advise its valued clients that after the successful implementation of the e-road cargo manifest system and will not accepting the lodgement of Manual Road Cargo Manifests at the Ports of Entry as from 01 March 2021. The announcement is being made public notice 53 of 2021. ZIMRA is committed to facilitating trade and travel and therefore urges all transporters to register and avoid unnecessary delays at ports of entry.

Decision impact

The online submission is likely to decongest the border and result in fast movement of goods and passengers. It will also reduce corrupt activities at the border and prompting social distance in line with COVID 19 protocols.

11. Contacts

Contacts

Marvellous Tapera
 +263772349740 | mtapera@taxmatrix.co.zw

Alfa Madamu
 +263778363600 | vmadamu@taxmatrix.co.zw

Tafadzwa Mhonde
 +263774454016 | tafadzwa@matrixtaxschool.co.zw

46 Van Praagh Ave, Milton Park Harare
 www.matrixtaxschool.co.zw
 @matrix_tax
 Matrix Tax School
 Matrix Tax School

MATRIX TAX SCHOOL
 Beyond Knowledge

12. Disclaimer Clauses

The information contained in this MTU is for general guidance only and is not intended as a substitute for specific advice in considering the tax effects of particular transactions. Whilst a lot of care has been taken in the compilation of the information and opinions contained in this publication, no liability is accepted for the consequences of any inaccuracies contained in this guide. The information does not constitute a legal advice nor can it be relied on in any dispute with the tax authorities and shall not constitute any legal or tax opinion in this or any jurisdiction. The analysis contained in this MTU is based on the current legal framework which is subject to change and Tax Matrix (Pvt) Ltd or its employees assume no obligation to update or otherwise revise the materials contained in this or any of its MTUs. In making their considerations, recipients or people with access to the MTU are advised to make their own independent assessments, and, in this regard, to consult Tax Matrix or their own professional advisors before taking any action. The information and opinions contained in this MTU is valid as at the date of uploading on the website, preparation or compilation, any of its contents may be subject to change without notice. The information contained and opinions contained in this MTU are for the purpose of general information (“the purpose”) and for no other purpose. The company disclaims any responsibility for the use of the information contained herein for a different purpose or context. The information contained and opinions contained herein must not be copied, published, reproduced or distributed in whole or in part to others at any time by the recipients. Tax Matrix (Pvt) Ltd retains all intellectual copyright information contained and opinions contained in this MTU. Recipients should seek the written permission of the company before distributing copies of information and opinions contained in the MTU to third parties.