wts taxmatrix academy

Monthly Tax Update

December 2023

December 2023 MTU

- We are honoured to present our December 2023 Monthly Tax Update ("MTU") which is designed to keep businesses and individuals informed of the latest tax issues and bring value to both.
- Each month we 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 U pdates ensure that our valued members are kept in tune with changes in the tax arena. They provide you with 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:

- Income tax exemption.
- New surcharge on imported motor vehicles .
- Tax Breaks for Safari Operator Wheels.
- Tour Operators gets tax relief:
- Perks for Zimbabwe's Public Servants.
- VAT Zero rated goods reclassified exempt supplies
- Sugar tax
- Resolutions of monetary policy committee meeting
- Delta Beverages lost case on foreign currency tax payment.
- The new wealth taxes.
- Measures to restore value chain.
- IMTT revision of rates
- VAT registration threshold lowered again.
- TaRMS is here!
- Return submission and payments in TaRMS.
- Payments in TaRMS.
- Tax Clearance Certificates in TaRMS.
- Improperly cleared vehicles.
- Borderless Borders: ZIM/ZAM Victoria Falls border.

Editorial Team

Marvellous Tapera
Chief Executive officer
WTS Tax Matrix Academy
+263 772 349 740
mtapera@taxmatrix.co.zw

Tafadzwa Mhonde
Head of Business Operations
WTS Tax Matrix
+263 774 454 016
Tafadzwa.Mhonde@taxmatrix.co.zw

Simbarashe T Mambara
Tax Research Associate
WTS Tax Matrix Academy
+263 775 831 698
Simbarashe.Mambara@taxmatrix.co.zw


We are Rebranding
Before
TAX MATRIX
"Practical Tax Solutions"
Now
wts taxmatrix


We are Rebranding
Before
MATRIX TAX
SCHOOL
beyond knowledge
Now
wts taxmatrix
academy

2024 Tax & Business Updates Seminar

18 January 2024

Cresta Lodge, Msasa

The new tax laws recently gazetted are set to change the country's tax landscape. The tax burden is expected to increase and so is the tightening of tax administration as new taxes are introduced, VAT zero rating on food stuffs and other goods scrapped, new policies on restoring value chain and penalties for VAT breaches are introduced. Join us for a full analysis of these changes and their impact on your business and practise on the 18th of January 2024.

Key Discussion Topics

- The impact of scrapping zero rating on food stuffs, agricultural and medical goods
- The new regulations for restoring value chain and penalties for non-compliance.
- The penalties for non-compliance with invoicing system and other VAT breaches
- Domestic Top Up Tax – the fundamentals and the future of income tax incentives
- Wealth Tax – who is affected and how will it be administered.
- Professional custodians and Safe boxes- The opening of and tax recovery measures
- The reduced VAT registration threshold what this means to your business or practise.
- TARMs and other updates

Benefits of Attending

- Updates to assist in tax planning and compliance in 2024
- 2024 VAT handbook
- 4 hours verified CPD

Speakers

Marvellous Tapera
CEO
WTS Tax Matrix Academy

Simon Gwenzi
CEO
Platinum Tax Consultancy

David Masaya
Managing Director
Trendset Tax & Advisory

Tinashe Murerekwa
Partner
Kreston Zimbabwe

To register please click on the link above or contact our marketing team on
Mutsa: +263 782 802 384 | Mutsawashe.Muzamhindo@taxmatrix.co.zw
Rose: +263 775 911 538 | rmotsi@taxmatrix.co.zw
Alfa: +263 778 363 600 | vmadamu@taxmatrix.co.zw

Investment Per Delegate
$120

2.1 Income tax exemption.

Background

SI 234 of 2023 grants a specific exemption from income tax to expatriate staff involved in the Deka Pumping Station and River Water Intake System Upgrade Project. Expatriate staff working on this project are granted exemption from income tax on salaries and emoluments earned as part of their engagement. This aligns with the terms outlined in the letter of credit agreement between the Republic of Zimbabwe and the Exim Bank of India signed on April 4, 2019, which specifies that the exemption is applicable only to the project carried out by the Afcons-Vijeta Joint Venture and financed by the Government of India.

Decision Impact

This statutory instrument provides a targeted tax exemption to expatriate staff engaged in a specific project, ensuring they are not liable for income tax on their earnings related to this project.

2.2 New surcharge on imported motor vehicles .

Background

SI 239 wef 1January 2024, introduces a surcharge on imported motor vehicles based on their Free On-Board values. Vehicles falling within specified value ranges detailed in the schedule will be subject to varying surcharge rates: 30% for FOB values between $120,000 and $300,000, 40% for values between $300,001 and $700,000, and 50% for values exceeding $700,000. The surcharge is not applicable to commercially used vehicles or imports by the government. This SI repeals SI87 of 2023 with effective 31 December 2023.

Decision Impact

Taxpayers importing vehicles will face additional expenses based on the FOB value brackets, impacting the overall cost of vehicle acquisition. The exemption of commercial vehicles and government imports aims to protect these sectors from the surcharge's financial impact.

2.3 Tax Breaks for Safari Operator Wheels.

Background

SI 239 wef 1 January 2024, introduces a duty suspension on specified new motor vehicles imported by safari operators. The suspension, valid for two years until 31 December 2025, applies to vehicles listed under designated tariff codes. Eligible safari operators, meeting criteria related to tourism authority registration or ministerial approval, can import a maximum of five such vehicles annually for exclusive use in their safari businesses. Importers must comply with conditions, including not disposing of the vehicles within five years of importation without authorization and providing necessary documentation to the Commissioner for eligibility under the duty suspension scheme.

Decision Impact

The amendment provides a two-year duty suspension on specified new motor vehicles for safari operators, reducing import-related expenses and supporting the safari tourism industry.

2.4 Tour Operators gets tax relief:

Background

SI 246 wef 1 January 2024, introduces a duty suspension on specified buses imported by tour operators, valid until 31 December 2025. The suspension of duty applies to new buses, ranging in capacity from 8 to 55 passengers, imported by tour operators exclusively for use in the tourism business. Eligible tour operators, meeting criteria related to tourism authority registration or ministerial approval, can import a maximum of five buses annually under this scheme. However, strict compliance with requirements, including limitations on disposal, entry declarations, and compliance with ZIMRA regulations, is essential for benefiting from the duty suspension.

Decision Impact

The amendment offers a two-year duty suspension on specified buses for tour operators engaged in the tourism industry, reducing the financial burden of importing new buses for business use.

2.5 Perks for Zimbabwe's Public Servants.

Background

SI247 introduces new tax regulations wef 1 January 2024, providing duty rebates for certain public servants importing motor vehicles. It clearly defines eligible vehicles and excludes some based on design and weight. Only serving public servants in the Civil Service and Service Commissions can apply, using either a loan from the CMED's Transport Purchase Fund or personal resources. The vehicle must be for private or business use, not commercial trade. Eligibility depends on service tenure, documentation, and compliance with market value limits. Each eligible public servant can import one duty-free vehicle every five years, with maximum duty-free values ranging from $2,500 to $10,000, depending on their rank.

Decision Impact

The specified maximum duty-free import values, ranging from $2,500 to $10,000, may not be substantial enough to cover the total cost of importing a motor vehicle. This could mean that the duty rebate, while helpful, might not significantly reduce the overall financial burden on the public servants.

2.6 VAT Zero rated goods reclassified exempt supplies .

Background

SI 248 of 2023 brings a significant overhaul to Zimbabwe's VAT landscape, wef 1 January 2024. It has repealed second schedule to the VAT General Regulations of 2003 (SI273 of 2003) henceforth effectively eliminating VAT zero rating to introduce a refined approach to VAT exemptions. Notable exemptions are food items e.g. bread, pharmaceutical and medical services, sanitary wear, animal feed, fertilizer, pesticides, and plants. Some food items such as meat, mahewu etc have been classified as standard rated supplies.

Decision Impact

The overhaul could impact various businesses differently, potentially affecting consumer spending patterns and business costs. Exemption makes it ineligible for business to claim input tax which it must either pass on or absorb as its cost and this is likely to result in general increase in prices. Those now producing only exempt supplies should deregister for VAT effectively creating output VAT on assets previously used in taxable supplies for upon deregistration. For the government cashflow is preserved because there will be no more VAT refunds. Taxpayers should critical analyse SI248 to avoid misclassification which may result in penalties and interest or overpaying taxes.

2.7 Sugar tax

Background

Wef 1 January 2024, SI249 of 2023 replaces and modifies the duty rates for a wide array of drinks, juices, aerated waters, non-alcoholic beer, and wines produced in Zimbabwe. It further introduces a Special Surtax on beverages based on their sugar content. SI 249 outlines a detailed list of beverages, their respective sugar content surtax, and the specific quantities subject to taxation. If a beverage lacks labelled sugar content, it's assumed to contain 100 grams of sugar per liter. Officials can also sample beverages to verify sugar content. The surtax rates vary by the type of beverage and its sugar content from US$0.002/g.

Decision Impact

The sugar tax aims to encourage healthier choices, requiring accurate labelling and potential sampling for verification. This shift may affect pricing, production costs, and market dynamics, prompting adaptation in pricing strategies and supply chains for affected businesses. The beverage industry is currently lobbying with government to reduce the tax. The tax is too high compared what is obtaining in other countries.

2.8 Resolutions of monetary policy committee meeting

Background

The Monetary Policy Committee (MPC) of the RBZ convened on the 1st of December to discuss the nation's economic landscape and the 2024 National Budget Statement presented by the Finance Minister. The key outcomes and their implications for taxpayers are:

Support for Fiscal Measures: The MPC committed to complementing fiscal measures aimed at domestic resource mobilization, considering global credit constraints, and rising borrowing costs. This collaboration aims to maintain stability while mitigating global risks and El Nino effects.

Exchange Rate and Price Stability: Despite global risks, the MPC observed stable exchange rates and prices in the economy. Additionally, the country exhibited a 2.3% increase in foreign currency inflows, largely driven by Diaspora remittances, surpassing other forms of foreign investment.

Leveraging Diaspora Remittances: Recognizing the substantial contribution of Diaspora remittances (constituting 16% of foreign currency inflows), the MPC emphasized the need to leverage these funds for broader economic cushioning against global shocks.

Monetary Policy Resolutions: (1) The MPC decided to maintain the current Bank Policy rate at 130% and Medium-term Bank Accommodation Facility interest rate at 75%, subject to review based on inflation trends. (2) it recommended extending fiscal and non-fiscal incentives for Foreign Direct Investment (FDI) to Diaspora investments, acknowledging the significance of Diaspora remittances in the economy.

Local Currency Demand and Tax Obligations: The MPC highlighted the positive impact of the government's directive for companies to settle an increased proportion of tax obligations in local currency. This move aimed to bolster demand for local currency, essential for sustaining exchange rate and inflation stability. The committee stressed the need for further increases in the proportion of taxes settled in local currency to maintain a balanced currency mix.

» Decision Impact

The MPC's decision to maintain certain interest rates may affect borrowing costs for individuals, MSMEs, and productive sectors. Review of these rates based on inflation trends could impact access to finance in the short to medium term. Extending incentives for Diaspora investments aligns with leveraging these remittances for national development. This could influence investment opportunities and economic growth. The emphasis on settling tax obligations in local currency may influence the demand for and stability of the local currency, impacting businesses and individuals involved in cross-border transactions.

3.1 Delta Beverages lost case on foreign currency tax payment.

Case Name: Delta Beverages (Pvt) Ltd v ZIMRA (577 of 2023) [2023] ZWHHC 547	
Summary of facts	• Delta Beverages (Pvt) Ltd is beverage manufacturing company • The company trades in local and foreign currency • Delta seeks to invalidate additional income tax and VAT assessments arising from ZIMRA audit findings on improper income tax computation and VAT payments. • ZIMRA disallows expenses, recalculates tax liability, apportions tax payments based on currency turnover. • Similar issues arise in VAT audit, ZIMRA demands separation of foreign and local currency transactions.currency turnover. • Similar issues arise in VAT audit, ZIMRA demands separation of foreign and local currency transactions.
Jurisdiction	• Harare High Court
Issues	• Whether ZIMRA's assessments failed to compute Delta's taxable income. • Whether the ZIMRA is obligated to accept payment of all taxes in the local currency (RTGS) as it is recognized as the sole legal tender in Zimbabwe.
Decision Date	• 25 October 2023
Decision	• All the objections by Delta to the additional assessments by the ZIMRA in respect of the tax years in question lack merit. • The application is dismissed with costs

Facts

Delta Beverages seeks to invalidate additional income tax assessments for 2019-2020 and VAT assessments from March 2019 to October 2021. They argue that these assessments were improperly calculated and deny the expenses they deducted. Delta, a beverage manufacturer earning revenue in both local and foreign currency, faces assessments by the ZIMRA, the central revenue collector through tax legislation. Following a tax audit, ZIMRA found Delta's improper income tax computation on foreign currency sales and incorrect deductions. It disallowed expenses, recalculated tax liability, and apportioned taxes based on currency turnover. ZIMRA's VAT audit discovered Delta's did not separate foreign and local currency transactions. Delta contested the imposition of penalties in foreign currency, arguing that penalties are not recoverable in foreign currency as per the tax legislation.

Competing Arguments

Delta's Argument	
Did ZIMRA fail to compute taxable income	• That ZIMRA used the term 'gross tax,' a term not defined in tax statutes. • That its assessments failed to compute its taxable income, breaching the legal requirements of a valid tax assessment. • That ZIMRA lacked jurisdictional facts such as specific income or deductions to issue assessments
Obligation by ZIMRA to accept all taxes in ZWL	• That ZIMRA must accept payment of all taxes in the local currency on the premises of laws that made the Zimbabwean currency the sole legal tender.

ZIMRA's Arguments	
Did ZIMRA fail to compute taxable income	• That 'gross tax' is an administrative term, and their assessments met legal standards, calculating the correct taxable income. • That findings during audits, items like untaxed income or incorrect deductions, warranted their actions.
Obligation by ZIMRA to accept all taxes in ZWL	• That taxes on foreign currency receipts should be paid in foreign currency, which is an exception to the concept of sole legal tender.

Court Reasoning and Decision

Did ZIMRA fail to compute taxable income	• That if assessments comply with the essential requirements of the tax acts, they cannot be invalidated solely due to terminology like 'gross tax'. • That ZIMRA's findings, including discrepancies in Delta's self-assessments regarding currency usage and improper deductions, justified their actions. • That income tax assessments, unreported foreign currency income and improper deductions triggered adjustments. • That regarding VAT, Delta's failure to submit the correct VAT returns prompted ZIMRA's re-assessment. • That these facts existed before ZIMRA's actions.
Obligation by ZIMRA to accept all taxes in ZWL	• That the introduction of the RTGS didn't nullify the requirement to pay taxes in foreign currency for income received in foreign currency. • That income in foreign currency must be taxed in the same currency, distinct from payments made in the local currency. • That foreign currency income necessitates tax payment in foreign currency
Decision	• That all the objections by Delta to the additional assessments by the ZIMRA in respect of the tax years in question lack merit. • That the application is dismissed with costs

Decision Impact

Taxpayers are advised to pay their income tax in foreign currency in respect of taxable income in foreign currency. Section 4A of the Finance Act mandates the payment of taxes, including penalties, in the currency related to the income earned, received, or accrued.

4.1 The new wealth taxes.

Background

Besides used in raising government revenue, tax can also be used to equalise the society. With wealth and property taxes common instruments used to narrow the gap between the poor and rich

The law and interpretation

Government introduced wealth tax, which is tax on high-value properties, imposed at the rate of 1% on the value of a taxable dwelling. A taxable dwelling means a domestic property other than one's principal private residence which surpass a value of USD250,000. The tax is to be paid through the local authority where the dwelling is located at the first instance of paying property rates. The maximum collectable tax is USD50,000.

Decision Impact

This measure expands the tax base and address wealth disparity, ensuring a more equitable tax system. However, the impact will not directly be felt by the owners of the properties who are likely to pass it on to tenants and consequently raising cost of doing business. The original plan of taxing high-net-worth individuals is therefore missed. The tax also introduces new complexities in tax compliance and administration, requiring property owners to accurately value their properties and report them accordingly through engagement of professional valuers.

4.2 Measures to restore value chain.

Background

The country has been battling with revenue collection which has been for long been threatened by the presence of informal sector. The sector never incurs trading licensing, bank their monies, register, and pay taxes etc. This puts a lot of weight on the shoulders of formal business to carry the fiscal burden. To counter this unfair competition the government has introduced a raft of measures aimed at formalising all businesses.

The law and interpretation

In terms of the new law only wholesalers who are tax registered, registered for VAT and in possession of tax clearance can procure goods from manufactures. In turn, only retailers who are registered for taxes, VAT registered and in possession of tax clearance can buy from wholesalers. Any other person, including individuals and informal traders can buy from wholesalers under a consumer facility which is limited to a maximum value of USD1,000 every 30 days or USD20 when one is unable to produce a receipt of last purchase or if the purchase is the first in a calendar year. A surcharge of 30% on the value of goods purchased by informal traders and non-registered individuals where the limit has been exceeded applies.

Decision Impact

The measure is likely to disrupt the established routes to the markets some of which have been in place for decades and may pose serious going concern issues for some established business. The industrialists are currently lobbying for the government to reconsider its decision and rather to opt for sustainable policies such as levying presumptive taxes on informal traders.

4.3 IMTT revision of rates

Background

IMTT which has become one of the major sources of government tax revenue continue to receive most attention with players seeking for the tax to be scrapped. This however can never be, but the government can only accede to the pressure to reduce the rate and expansion of the exemption list.

The law and interpretation

The Finance Act, 2024 has introduced sliding scale IMTT rates of 2% on ZWL transactions, 1% for local United States Dollars transfers and outbound foreign payments and 0.5% on Zimbabwe Gold Backed digital tokens transactions. The maximum IMTT per transaction is USD10,150 on transactions exceeding USD500,000 (the equivalent amount in ZWL at official prevailing exchange rate). No ceilings exist for ZIG and outbound foreign payments. Only outbound foreign payments settled using foreign currency obtained from the Dutch Auction Foreign Currency Market operated by the Reserve Bank or from the interbank market operated by financial institutions are taxed, exempting payments made outside Zimbabwe using master and visa cards, etc.

» Decision Impact

This diverse structure aims to ensure that the tax system remains relevant and fair across various forms of currency and transaction types. Meanwhile the introduction of a tax rate for ZIG transactions reflects the government's recognition of digital currencies' growing importance, which could have implications for the burgeoning digital currency market in Zimbabwe.

4.4 VAT registration threshold lowered again.

Background

Most tax systems set registration threshold for VAT to avoid overburdening tax administration with activities of small businesses which may drain the fiscus of its revenue through tax enforcement, surveillance, and VAT frauds. However, where the majority are operating in the informal sector space having the correct balancing act is not possible if domestic resource mobilisation is part of the government agenda.

The law and interpretation

In keeping with the objective of widening the tax base and forcing all business to comply, the registration threshold for VAT has been reduced to USD25,000 (or its equivalent in Zimbabwe dollars) in a consecutive period of 12 months down from USD40,000 which was also reduced from USD60,000 not more than 2 years ago. The reduction entails small businesses will also be required to register for VAT which result in them being required to comply under other tax heads including the requirement to have a tax clearance so as not to suffer 30% withholding tax on payments from their customers.

» Decision Impact

The new VAT registration threshold is likely to reduce the competitive advantage of small businesses and start-ups because they will be required to price inclusive of VAT. Businesses dealing with unregistered persons should be wary since the law provides that registered operators include those who are potentially registrable. Claiming a deduction under income tax is prohibited in respect of purchases from registered operators not supported by a fiscal tax invoice. Further, the government should consider announcing a tax amnesty to allow seamless VAT registration without charging penalties and interest.

Get in touch with us

Marvellous Tapera
Chief Executive officer
WTS Tax Matrix Academy
+263 772 349 740
mtapera@taxmatrix.co.zw

Tafadzwa Mhonde
Head of Business Operations
WTS Tax Matrix
+263 774 454 016
Tafadzwa.Mhonde@taxmatrix.co.zw

Alfa Madamu
Head of Business Operations
WTS Tax Matrix Academy
+263 778 363 600
vmadamu@taxmatrix.co.zw

Mutsawashe Muzamhindo
Group Business Development Executive
Matrix Group
+263 778 794 220
Mutsawashe.Muzamhindo@taxmatrix.co.zw

Simbarashe T Mambara
Tax Research Associate
WTS Tax Matrix Academy
+263 775 831 698
Simbarashe.Mambara@taxmatrix.co.zw

5.1 TaRMS is here!

Background

Public notice 84 of 2023 announces the successful completion of the migration of tax data from SAP TRM to TaRMS. TaRMS introduces six additional functionalities in addition to the two modules that were previously rolled out: 1. Tax Return Management, 2. Payment Management, 3. Revenue Accounting, 4. Taxpayer Accounting, 5. Debt Management, 6. Refund Management. Taxpayers can now utilize TaRMS for various tax-related activities immediately, simplifying processes and offering a centralized platform for managing tax obligations.

» Decision Impact

The addition of functionalities under TaRMS allows streamlining and simplifying tax-related processes such as submission of returns, payments, debt management, and accessing statements. This could potentially improve efficiency and accuracy in tax compliance. Taxpayers are encouraged to seek assistance from ZIMRA offices or the ZIMRA Contact Centre in case of challenges or queries related to the new system.

5.2 Return submission and payments in TaRMS.

Background

The ZIMRA is through public notice 80 of 2023 informing taxpayers that return submissions and payments will no longer be processed through the SAP TRM (Tax Revenue Management) system. Instead, these activities will now be handled through the new Tax Revenue Management System (TaRMS).

» Decision Impact

Taxpayers will need to adapt to the new TaRMS system for all tax-related activities. Timeliness in filing returns and making payments is crucial to ensure recognition and avoid penalties. Tax clearance procedures for 2024 will also undergo changes with the adoption of TaRMS for example no payments will be accepted without a matching return, encouraging more accurate and timely filing.

5.3 Payments in TaRMS.

Background

Public notice 87 of 2023 underscores the importance of accurate TIN capture, adherence to payment procedures, and the necessity for timely submission of tax returns to facilitate proper recognition and clearance of tax obligations within TaRMS. It also guides taxpayers on managing outstanding amounts or applying for new payment plans through the TaRMS Self Service Portal.

» Decision Impact

Taxpayers must utilize TaRMS for tax payments through the linked single account, ensuring correct TIN capture and adherence to specified payment procedures to avoid issues with transactions. The notice emphasizes the link between payments and returns, requiring timely submission of tax returns following payments to ensure recognition and proper clearance of tax obligations.

5.4 Tax Clearance Certificates in TaRMS.

Background

Through Public notice 91 of the ZIMRA has announced the automatic issuance of 2024 Tax Clearance Certificates (ITF263) to compliant taxpayers starting from 27 December 2023. However, non-compliant taxpayers who have not submitted returns despite paying their taxes will not qualify for these certificates issued by the Tax Revenue Management System (TaRMS).

» Decision Impact

Taxpayers should comply with tax filing, payments, and system upgrades to qualify for the 2024 Tax Clearance Certificates. The announcement also emphasises the use of the Single Account and cessation of SAP TRM for Domestic Taxes payments. The ITF 12B, previously submitted manually in the old system, is now incorporated into TaRMS and should be completed and submitted in TaRMS and make Quarterly Payment Dates (QPDs) through the Single Account.

5.5 Improperly cleared vehicles.

Background

Public notice 83 of 2023 invites individuals, companies, or entities who possess motor vehicles not properly cleared through ZIMRA to rectify the clearance and registration of these vehicles. The irregularities specified include undervaluation, smuggling, improper temporary importation permits, expired permits, false claims for duty rebates, or violations of legislation governing motor vehicle importation.

» Decision Impact

Taxpayers with motor vehicles falling under the specified irregularities have an opportunity to rectify the situation by contacting ZIMRA and regularizing the clearance without facing legal consequences and forfeiture of their vehicles. While penalties might be waived in certain cases, full duties, additional assessed duties, and interest on unpaid duties remain payable.

5.6 Borderless Borders: ZIM/ZAM Victoria Falls border.

Background

Public notice 88 of 2023 announces the launch of the Zimbabwe Revenue Authority/Zambia Revenue Authority (ZIMRA/ZRA) cross border clearance data exchange project at the Victoria Falls Border Post. The project aims to facilitate a paperless exchange of transactional data concerning imports, transit, and exports between Zimbabwe and Zambia, focusing initially on the Victoria Falls border post starting from December 11, 2023. Aligned with the WCO Safe Framework of Standards, this initiative aims to establish Customs-to-Customs networks for secure international trade supply chains. The vision involves creating an international "e-Customs" network to ensure seamless, real-time, and paperless information flows between Customs Administrations. This facilitates trade data reconciliation to eliminate discrepancies in regional trade data. It also streamlines processes for fast-tracking goods release and reducing clearance times. Finally, it provides support for the pre-clearance process and promotion of harmonized processing of regional goods declarations.

» Decision Impact

The implementation of this data exchange initiative is expected to reduce delays at the border, benefiting both clearing agents and the public by facilitating faster and more efficient clearance processes. It streamlines processes, potentially leading to faster clearance of goods, reducing waiting times, and promoting smoother trade operations between Zimbabwe and Zambia. The exchange of transactional data intends to reconcile trade data discrepancies, ensuring accuracy and transparency in cross-border trade

Get in touch with us

Marvellous Tapera
Chief Executive officer
WTS Tax Matrix Academy
+263 772 349 740
mtapera@taxmatrix.co.zw

Tafadzwa Mhonde
Head of Business Operations
WTS Tax Matrix
+263 774 454 016
Tafadzwa.Mhonde@taxmatrix.co.zw

Alfa Madamu
Head of Business Operations
WTS Tax Matrix Academy
+263 778 363 600
vmadamu@taxmatrix.co.zw

Mutsawashe Muzamhindo
Group Business Development Executive
Matrix Group
+263 778 794 220
Mutsawashe.Muzamhindo@taxmatrix.co.zw

Simbarashe T Mambara
Tax Research Associate
WTS Tax Matrix Academy
+263 775 831 698
Simbarashe.Mambara@taxmatrix.co.zw

member of wts global

6. 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.

WTS Matrix Academy

A: 4 Church Road, Avondale, Harare
T: +263 (242) 252 816/50
C: +263 782 802 384

Find out more about
WTS Matrix Academy

LOCALLY ROOTED – GLOBALLY CONNECTED

With coverage in over 100 countries, WTS Global is among the world's largest non-audit tax practices offering the full range of tax services. We deliberately refrain from conducting annual audits in order to avoid any conflicts of interest. We are guided by our commitment to be a long-term trusted advisor for our clients, both locally and globally. Clients of WTS Global include multinational companies, international mid-size companies as well as private clients and family offices.

The member firms of WTS Global are carefully selected through stringent quality reviews. They are strong local players in their home market united by the ambition of building a truly global practice that develops the tax leaders of the future and anticipates the newdigital tax world.

WTS Global combines senior tax expertise from different cultures and backgrounds and offers world-class skills in tax advisory, tax compliance and accounting as well as tax digital, coupled with the ability to think like experienced businesspeople in a constantly changing world.

Find out more
about WTS Global