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INVESTMENT &
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AGENCY

Unearthing **Potential!**

Investor Handbook





**The best time
to invest in
Zimbabwe is
now!**

Emmerson Dambudzo Mnangagwa
President of the Republic of Zimbabwe



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Seamless investment process...

Zimbabwe is a great country with amazing potential, like a phoenix, our nation is rising and claiming its rightful position as a preferred investment destination. The fundamental issues that used to impede the flow of foreign direct investment in our direction have been addressed while the outstanding issues are currently under the spotlight. Our government ably led by His Excellency E. D. Mnangagwa has made it top of its agenda to re-engage the international community and transform the investment narrative in Zimbabwe through policy reforms and other measures.

As the Zimbabwe Investment and Development Agency (ZIDA), our task is clear cut, to facilitate and promote domestic and foreign direct investment into the country. As you read this investor guide, my fervent hope is for you dear investor to have an in-depth understanding of the investment processes and procedures of investing in Zimbabwe. Ease of doing business is at the heart of our operations and the days when investors endured the cumbersome, bureaucratic and lethargic referral pathways to set up business in our country are permanently behind us. We are the nerve center of efficiency and investment excellency.



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Seamless investment process... - (cont'd)

We have simplified all our processes as we implement the necessary reforms in creating a conducive business climate. Through our One Stop Investment Service Centre (OSISC) we have created a single point entry for all investors. OSISC provides investment services ranging from investment analysis, company registration, tax registration and clearance, licensing, connecting to all necessary utilities, investment promotions, public relations and aftercare services. These services were previously provided by different entities scattered all over the place. ZIDA has thus significantly integrated and abridged the procedures thereby reducing the turnaround time for investing in the country.

This investor guide compliments our investment prospectus which is a detailed repository containing all investment opportunities that our country is offering to the world. We stand ready to welcome you to Zimbabwe, a land of great opportunities. Our mission is to mobilise private capital to leapfrog Zimbabwe to a leading Sub-Saharan African Economy by 2030 and we invite you dear investor to be part of our exciting journey.

D. T. Munatsi
ZIDA CEO



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Country Fact Sheet

ZIMBABWE	GENERAL DATA
Land area	390 760km ²
Capital city	Harare
Commercial language	English
Population	16,152,756 million
currency	Zimbabwe Dollar
Climate	Hottest months, October and November, 16-27°C; coldest months, June and July, 7-21°C (average daily minimum and maximum); driest month, July, 1 mm average rainfall; wettest month, January, 196 mm average rainfall



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Country Fact Sheet - (cont'd)

ZIMBABWE	GENERAL DATA
Economy	<p>Manufacturing Diverse, foodstuffs, tobacco, textiles, clothing, paper, furniture, wood, chemicals and metals</p> <p>Agriculture Maize, tobacco, cotton, wheat, sugar, Coffee, beef, dairy, fisheries and soya Main Exports: tobacco, horticulture tea, coffee</p> <p>Mining Gold, Nickel, coal, copper, chrome, iron ore, platinum, diamonds, and Lithium</p> <p>Tourism Great Zimbabwe, Kariba, Victoria falls, Hwange, Eastern Highlands, Mana Pools, Bulawayo and Harare</p>



Country Fact Sheet - (cont'd)

ZIMBABWE	GENERAL DATA
Economy - (cont'd)	<p>Infrastructure Transport, roads, rail and International airports</p> <p>Energy Solar, methane, hydro</p>
Investment Climate	<ul style="list-style-type: none">• Stable political environment centrally located in the Southern African region.• Promulgation of the Zimbabwe Investment and Development Agency on 7 February 2020, housing the One Stop Investment Services Centre for the ease of doing business.• Supportive investment laws and regulations.• Investment Incentives• Diverse range of labour and relatively low labour cost.• English speaking, skilled, semi-skilled and unskilled Human Capital.

Policy Reforms





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Policy Reforms

The 2nd Republic is accelerating the implementation of the Ease of Doing Business reforms to ensure that all legislative and administrative bottlenecks, which affect the ease of doing business are eliminated.

Ease of Doing Business measures focus mainly on ten areas namely:

- Starting a business;
- Dealing with construction permits;
- Getting electricity;
- Registering property;
- Getting credit;
- Protecting minority investors;
- Paying taxes;
- Trading across borders;
- Enforcing contracts; and
- Resolving insolvency.

These measures are very critical for the success of existing business in the country as well as attracting foreign investors.

Some of these measures include the Staff Monitored Programme (SMP) recommended by the IMF (International Monetary Fund), alignment of legislation with the Constitution, replacement of the Public Order and Security Act by the Maintenance of Peace and Order Bill, formulation of media Bills among other positive steps that the country had made so far.



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Policy Reforms - (cont'd)

The SMP is an initiative by the Government that seeks to enhance efficiency and service delivery in the country. Furthermore, Government is addressing economic issues through the Transitional Stabilisation Programme (TSP), which advocates for the broadbased participation of the citizenry in national and socio-economic development programs.

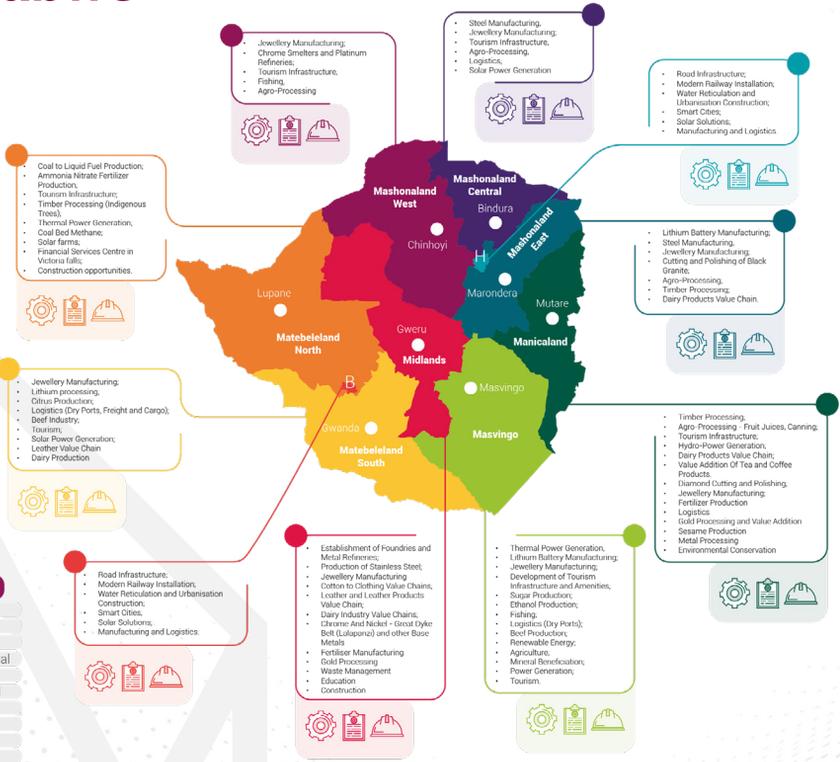
Through promulgation of the Public Entities Corporate Governance Act, the Government is committed to improving the performance of State-Owned Enterprises through partial privatisation. Partial privatisation presents investment opportunities to investors for partnering Government in these state-owned companies.

Zimbabwe established and constituted Zimbabwe Anti-Corruption Commission seized with combating corruption and crime. ZACC has since been conferred with arresting powers as government takes a major stride in its quest to tackle the scourge of corruption.

Zimbabwe's trajectory of implementing democratic, political and economic reforms as well as improving the ease of doing business in the country will ensure that the country provides a favorable investment climate.



Investment Opportunities in Zimbabwe



Why Invest In Zimbabwe





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Why Invest In Zimbabwe

Zimbabwe is among the few countries in the world vastly endowed in tradable minerals such as gold, platinum, diamond, coal and nickel and 17 Rare Earth Elements (REE) that are critical in this technologically driven world. Priority areas for investment include mining, manufacturing, energy, tourism, ICT and infrastructure development.

Investment landscape-The 2nd dispensation promulgated and signed the Zimbabwe Investment and Development Agency Act into law, this resulted in the repealing and collapsing into one of the Special Economic Zones (SEZs) Act, the Joint Ventures Act and the Zimbabwe Investment Authority (ZIA) Act. The ZIDA Act has clear provisions on non-discriminatory business climate, repatriation of funds, ownership and other critical factors that used to frustrate investors. The new law has also seen the operationalization of the One Stop Investment Services Centre (OSISC) which gives investors a seamless registration and license application process.



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Why Invest In Zimbabwe - (cont'd)

Incentives-An array of fiscal incentives that investors can enjoy has been put in place by government. These include tax holidays, corporate tax, duty free importation of raw materials, intermediate products, equipment and machinery. Companies operating under Special Economic Zones (SEZs) are entitled to a host of fiscal concessions provided for mainly in the Income Tax (Chapter 23:06) and Finance Act (23:04)

Regional Hub- Zimbabwe is a key hub within the road and rail corridor in the SADC region. The country has a vast road and rail network connecting it to its. The country is strategically positioned to link with the whole SADC region.

Unique selling Point





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Unique selling Point

Vaccination-Ranked among the best in the world and top 3 in Africa. Victoria Falls Resort Town has achieved herd immunity and tourism arrivals are significantly increasing. Countrywide, the vaccination program has been embraced and the demand for the jab. National herd immunity is achievable.

Vast mineral resources- Zimbabwe has a huge and highly diversified mineral resource base dominated by two prominent geological features namely the famous Great Dyke and the ancient Greenstone Belts, also known as Gold Belts. The Great Dyke is a layered igneous complex extending north-south for about 550 km. The Great Dyke plays host to the world's largest high grade chromite resource base. Zimbabwe has the world's second largest resource of platinum group of metals as well as significant reserves of copper and nickel.

Dynamic skilled work force-Zimbabwe has a pool of talented, educated and trainable diverse workforce. Public and Private owned universities, polytechnics, vocational training centres and other tertiary institutions are churning out industry-ready graduates who are eager to take up roles in various sectors of the economy.



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Unique selling Point - (cont'd)

Strong air and road access-The world's best airlines have daily flights that link the world to Zimbabwe and vice versa. Our strong road network makes it easy for investors to access projects that are located outside urban areas.

Favorable climatic conditions- Zimbabwe enjoys a lovely, temperate climate. The central highveld plateau has temperatures up to 28°C/82°F. The country can be divided into six different regions of agricultural potential, with the amount of rainfall constituting the determining factor in land use.

Peace and Stability-Investments are secure as there is low crime rate and Zimbabweans are peace loving people. Investing in Zimbabwe is Investing in stability.

Business ready environment-Zimbabwe's pro-business policies, ready built infrastructure, strong supply chains and reliable human capital makes it the perfect destination for investors.

Visiting Zimbabwe





Visiting Zimbabwe



SUMMARY	
Visas	<ul style="list-style-type: none">Apply for a Zimbabwean visa online on the e – visa application and processing platform www.evisa.org.zw or apply in advance of arrival from the Zimbabwe High Commissions, Trade Missions or Embassies. <p>Visa Categories</p> <ul style="list-style-type: none">Category A – Countries that do not need a visa to enter Zimbabwe.Category B – Countries who may be issued with a visa on arrival at the port of entry.Category C – Countries who must obtain a visa before travelling.

Visiting Zimbabwe - (cont'd)



	SUMMARY
Travel	<ul style="list-style-type: none"> • Harare – Robert Mugabe International Airport for Domestic and International flights. • Bulawayo – Regional and Domestic Flights. • Victoria Falls International Airport – Regional and International.
Travel - Road	<ul style="list-style-type: none"> • Most major business and tourist attractions are connected by road and rails links are mainly for transporting goods.
Currency Regulations	<ul style="list-style-type: none"> • Foreign visitors can bring an unlimited amount of foreign currency into the country if they declare the amounts brought into the country by completing ZIMRA form 47.
Customs	<ul style="list-style-type: none"> • Traveller's rebate is a duty – free allowance granted to travellers, subject to prescribed conditions. It is divided into two categories namely total rebate and partial rebate. Total rebate is allowance granted on all used personal effects.



Visiting Zimbabwe - (cont'd)



	SUMMARY
Motor Vehicles	<ul style="list-style-type: none">• All vehicles must be insured against third party risks.• Registration papers and driver's licences must be carried at all times.• Drive on the left side.• International Car Hire Agencies licenced by the Zimbabwe Tourism Authority are in major cities.
Health	<ul style="list-style-type: none">• Generally good standard of healthcare but contact your local doctor for information on vaccinations and malaria prophylactics.• COVID – 19 vaccination is top priority for travellers into Zimbabwe and for Zimbabweans within its borders.



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Business Registration Processes

STEP	TURNAROUND TIME
Company Registration <ul style="list-style-type: none">• Filing a Memorandum of Association and Articles of Association with the Register of Companies, CR6 & CR 14 Form	2 days
Registration with Zimbabwe Revenue Authority for Tax Purposes (Business Partner Number) <ul style="list-style-type: none">• Registration for PAYE, Income Tax and Customs Duty	1 day
Zimbabwe Investment and Development Agency (ZIDA) Licencing <ul style="list-style-type: none">• Lodge application through ZIDA 1 Form which can be downloaded on the ZIDA website.• Attach primary company registration documents, brief business plan, CVs for Directors/ Shareholders	2 days



Business Registration Processes - (cont'd)

STEP	TURNAROUND TIME
Immigration Control Department <ul style="list-style-type: none">• Application for investor and temporary employment permits	5 days
Environmental Management Agency <ul style="list-style-type: none">• Only for the projects which require Environmental Impact Assessment Licence e.g. mining, manufacturing and infrastructure development as prescribed in the Environmental Management Act [Chapter 20:27]• Prospectus• EIA Report	10 days 30 days
National Social Security Authority (NSSA) <ul style="list-style-type: none">• Lodge an application for NSSA registration within 30 Days of commencing business	1 day

Economic Performance





Economic Performance

EXCHANGE CONTROL AND CUSTOMS	
	SUMMARY (AS AT 16/04/2021)
Import/Export Regulations	Liberalised import and export procedures
Currency Regulations	Exchange rate is market determined through the Auction System
Remittability	100% remittance of dividends from net after tax profit
Capital Disinvestment	100% repatriation of original capital investment plus appreciation
Foreign Shareholding	Up to 100% of shareholding and control of companies except in the reserved sectors as well as the diamond and platinum sub-sectors.
Other	Corporate and individual foreign currency accounts may be opened with local banks



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The Zimbabwe Stock Exchange

EXCHANGE CONTROL AND CUSTOMS

	SUMMARY (AS AT 16/04/2021)
General Information	Zimbabwe Stock Exchange Head Office located in Harare. Hours – Monday to Friday 8am to 4:30 pm Trading Online trading
Statistics	Industrial Counters 15 Mining Counters 3 Number of companies 61 Private Institutions
Payment of dividends	Usually twice a year



The Zimbabwe Stock Exchange - (cont'd)

EXCHANGE CONTROL AND CUSTOMS	
	SUMMARY (AS AT 16/04/2021)
Stock - Brokers	<ul style="list-style-type: none">• First Securities• Invictus Securities Zimbabwe• Mast Stockbrokers• MMC Capital• Remo Investment Brokers• Southern Trust Securities• Akribos Securities• ABC Stockbrokers• Bethel Equities• EFE Securities• FBC Securities• Imara Edwards Securities• Lynton-Edwards Stockbrokers• Morgan & CO• Old Mutual Securities• Platinum Securities

Financial Institutions



Financial Institutions



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	SUMMARY
BANKING	
Banking Hours	Weekdays - 0800 to 1500 hrs
Saturday	Saturday - 0800 to 1130 hrs
Banking Institutions	Reserve Bank - Functions as a Central Commercial Banks - Savings and investment Merchant - Credit acceptances, foreign exchange transfers
Other	Bureau de Change - Foreign exchange dealer Building Societies - Loans and savings Finance House - Hire/purchase, instalment credit Agricultural Finance Corporation - State owned, agricultural loan financing Zimbabwe Infrastructural Development Bank - Medium term and long - term loans – Infra- structural development
Interest Rates	Market determined
Local Borrowing	No restrictions on local borrowing for working capital
Foreign Borrowing	External loans up to US\$20 million do not require Central Bank approval.

Tax





Individual Taxation – Pay As You Earn (Paye)

Income Tax Rates

Taxable Income Bands (Z\$)	Rate (%)
Up to 300,000	0%
300,001 to 720,000	20%
720,001 to 1,440,000	25%
1,440,001 to 2,880,000	30%
2,880,001 to 6,000,000	35%
6,000,001 and more	40%

Income Tax Table for Individuals (USD)

Taxable Income Bands (USD)	Rate (%)
Up to 1,200	0%
1,201 to 3,600	20%
3,601 to 12,000	25%
12,001 to 24,000	30%
24,001 to 36,000	35%
36,001 and above	40%

AIDS levy is 3% of the individual's tax payable.



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Benefits arising from employment

Benefits are generally taxed on the basis of the cost to the employer. Furniture and housing are based on the value to the employee.

Tax credits

Type of Credit	Amount (ZWL)	Amount (USD)
Blind person	ZWL117,000	\$900
Mentally/Physically disabled person	ZWL117,000	\$900
Elderly persons	ZWL117,000	\$900
Medical expenses		\$1 for every \$2



Maximum deductions for pension contributions

Type of Contribution	Maximum Deduction
(a) Current contributions to approved group scheme	ZWL390,000 or US\$3,000 per annum whichever is the lesser
(b) Contributions to approved retirement annuity fund	ZWL390,000 or US\$3,000 per annum whichever is the lesser
(c) Where contributions are made by an individual to both (a) and (b)	ZWL390,000

Exemptions from tax- individuals

Payment	Exemption
Bonus payment	\$25,000
Retrenchment Package	ZWL1,300,000 or 1/3 of the package whichever is greater up to a maximum of ZWL4,875,000



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Exemptions from tax- individuals

PAYE is deducted by the employer and remitted on the 10th of the following month accompanied by Form P2. Year-end reconciliation is made at the end of the tax year (31st December) and Income Tax Form (ITF 16) submitted by 30 January of the following year.

Company Taxation

On formation, a company is required to register with ZIMRA for tax purposes. Registration is done online on <http://efiling.zimra.co.zw> or manually at ZIMRA offices.



Tax rates are as follows:

	Tax Rate
Basic rate (Companies and Trusts)	24%
AIDS levy – based on tax payable	3%
Effective rate	24.72%
Special Income Tax Rates	
• Foreign dividends (for company incorporated outside Zimbabwe)	20%
• Pension funds	15%
Manufacturing Companies	
• Manufacturing company exporting more than 30% but less than 41%	20%
• Manufacturing company exporting more than 41% but less than 51%	17.5%
• Manufacturing company exporting 51% or more of its output	15%
• Mining operations – companies and mining trusts	24%
• Special mining lease operations	15%



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Tax rates are as follows:

	Tax Rate
Income Tax Holiday Rates	
BOOT/BOT arrangement operations	
• First five years	0%
• Second five years	15%
Licensed investor in a Special Economic Zone	
• First five years	0%
• Thereafter	24%
Operator of a tourist facility	
First five years	0%
Thereafter	24%
Industrial Park Developer	
First five years	0%
Thereafter	24%
E-Commerce Operators	5% of Gross Amount/Turnover



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Tax is paid on Quarterly Payment Dates as follows:

QPD	Due Date	Percentage
1 ST QPD	25 March	10%
2 ND QPD	25 June	25%
3 RD QPD	25 September	30%
4 TH QPD	20 December	35%

Youth Employment Tax Incentive (YETI)

Credit of \$1,500 per month for each additional employee up to a maximum aggregate amount of one hundred and eighty thousand dollars in any year of assessment is granted to qualifying taxpayers.



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1. Withholding Taxes

WITHHOLDING TAX	RATES
Non-Resident Tax on Fees	15%
Non-Resident tax on remittances	15%
Non-Resident tax on Royalties	15%
Resident tax on interest	15%
Informal Traders Tax	10%
Withholding Amounts under a contract	10%
Non-Executive Directors	20%



1. Withholding Taxes - (cont'd)

WITHHOLDING TAX	RATES
Non-Resident Shareholder Tax	5% for dividends listed on the Victoria Falls Stock Exchange 10% for dividends from securities listed on the stock exchange. 15% for other dividends
Resident Shareholder Tax	10% for dividends from securities listed on the stock exchange. 15% for other dividends
Intermediated Money Transfer Tax (IMTT)	2%
Tobacco Levy: on the sale price of tobacco delivered to an auction floor	Sellers – 75c Buyers – 1.50c

NB: Withholding tax rates may be lower for countries that have Double Taxation agreements with Zimbabwe.



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Exemptions from tax- individuals

Capital Gains Tax (CGT) is a tax levied on the capital gain arising from the disposal of a specified asset being;

- i. Immovable property
- ii. Marketable securities
- iii. Any right or title to property whether tangible or intangible that is registered or required to be registered in terms of:
 - the Mines and Minerals Act [Chapter 21:05]; or
 - the Patents Act [Chapter 26:03]; or
 - the Trade Marks Act [Chapter 26:04]; or
 - the Industrial Designs Act [Chapter 26:02]; or
 - the Copyright and Neighbouring Rights [Chapter 26:05]; or
 - the Brands Act [Chapter 19:05]; or
 - the Geographical Indications Act [Chapter 26:06]; or
 - the Integrated Circuit Layout-Designs Act [Chapter 26:07] Act (No. 18 of 2001);



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Tax rates are as follows:

	Rates
Specified asset being disposed of was acquired before 1 February 2009	5% of Gross Capital Amount
Specified asset being disposed of was acquired before 22 February 2019 and sold after that date	5% of Gross Capital Amount
Specified asset being disposed of was acquired after 22 February 2019	20% of the Capital Gain



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Exemptions include:

- i. amounts received or accrued on the realization or distribution by the executor of a deceased estate of a specified asset forming part of such estate;
- ii. amounts received or accrued on the sale of any marketable security being any bond or stock in respect of any loan to—
 - a. the State or any company all the shares of which are owned by the State;
 - b. a local authority;
 - c. a statutory corporation;
- iii. amounts received or accrued on the sale, by a person carrying on life insurance business
- iv. the receipts and accruals of a licensed investor from the sale of a specified asset forming the whole or part of the investment to which his investment licence relates.
- v. the receipts and accruals of an industrial park developer from the sale of a specified asset that forms part of or is connected with his industrial park.
- vi. amounts received or accrued on the sale or disposal of any shares or other marketable securities listed on the Victoria Falls Stock Exchange



Deductions include:

- i. Cost of acquisition of assets sold
- ii. Cost of additions, alterations or improvements to the assets
- iii. An inflation allowance of 2.5% per annum on (i) and (ii)
- iv. Selling expenses e.g. commission

Roll-Over Relief

Roll over relief is available in respect of cost of replacement by the end of the year following the year of sale of:

- i. A principal private residence (PPR)
- ii. A business property



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Transfers where no tax is payable

- i. Transfer of specified assets within groups of companies
- ii. Transfer of specified assets between spouses
- iii. Transfer of business property of an individual to a company under his control

Value Added Tax (VAT)

Value Added Tax is an indirect tax on consumption. It is a tax levied on:

- i. The supply by any registered operator of goods and services supplied by him
- ii. The importation of goods and services into Zimbabwe
- iii. The supply of any imported service
- iv. Goods and services sold through an auctioneer



Rates of VAT

- i. Standard rate of 14.5%
 - Generally, all goods and services are standard rated unless specifically exempted or zero-rated.
- ii. Zero-rated (0%)
 - Exports of goods from Zimbabwe to an address in an export country.
 - Basic foodstuffs such as sugar etc. (listed in the Vat Regulations Statutory Instrument 273 of 2003)
- iii. Exempt supplies

No VAT is chargeable on exempt supplies. Examples include:

- Financial services.
- Provision of electricity for domestic use
- Provision of piped water for domestic use
- Rates charged by Local Authorities.



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Obligations of a Registered Operator

The registered operator is required to: -

- Charge VAT
- Issue tax invoices within 30 days of supply and these invoices should have the features, which are outlined in the Act.
- Remit the VAT to ZIMRA and submit a VAT return on or before the 25th day of the month following the month in which the VAT was collected.
- Maintain a record of all transactions.
- Fiscalise



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VAT Refunds

- The registered operator completes a Value Added Tax return (VAT7) on which the total sales (both cash and credit), tax charged (output tax), and the total purchases and the tax he was charged (input tax) are declared.
- He then subtracts the tax on purchases (both cash and credit) from the tax on sales. In the event that the result is positive, that amount should be paid to ZIMRA and where the result is negative, ZIMRA will refund this to the registered operator.
- The claim for refund must be made on the VAT return within 12 months of the date of invoice for the expenses incurred by the registered operator.
- The registered operator must submit the tax invoices, bills of entry, credit notes, debits note, or other sufficient documents in support of the expenses incurred.

Special Economic Zones (SEZs)

ZIDA may, by notice in the Gazette, declare any area or premises to be a special economic zone, the geographical area of which shall be defined in the notice.



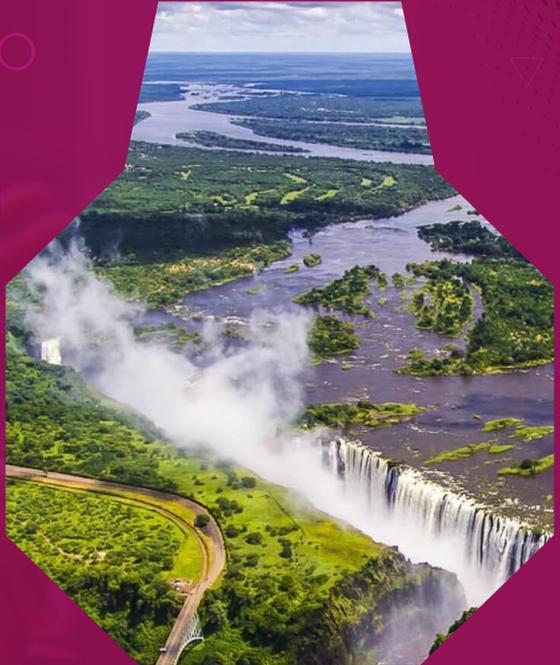
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Incentives applicable to licenced investors exporting 100% of their goods and services are:

- i. 5 year tax holiday in which the rate of tax is 0% after which Income is taxed at 24%.
- ii. Special Initial Allowance at the rate of 100% as follows:
 - 50% is allowed in the first year of assessment in which the taxpayer claims the special initial allowance
 - 25% in each of the next 2 years of assessment.
- iii. No liability for capital gains tax from sale of property forming part of an investment in an EPZ.
- iv. Exemption from liability to pay Non-Resident Shareholders' tax (NRST) on dividends distributed to non-residents.
- v. Exemption from Non-Resident Withholding Tax on management and technical fees for services not available locally.
- vi. Exemption from Withholding tax on royalties.
- vii. Duty free importation of capital equipment.

Processes and Procedures For Investors





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Processes and Procedures For Investors

The processes and procedures provided in this Investment Guide are critical as they provide guidance to potential investors in their quest to establish businesses in Zimbabwe.

Notwithstanding the great effort being put to ensure that the Investment Guide remains current, investors are encouraged to make use of the online platform and visit the ZIDA website and other websites of respective institutions as provided at the end of this guide.

Procedures for establishing Greenfield Investments

- ZIDA is a facilitative and investor friendly One Stop Investment Services Centre for investments and new projects.
- In the establishment of greenfield investments, the investor has a variety of options to set – up operations in the country. The most common being to register as a limited liability company, private business company or as a cooperative.



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Processes and Procedures For Investors - (cont'd)

Procedures for establishing Greenfield Investments - (cont'd)

- The private companies and other business entities are administered under the Companies and Other Business Entities Act [Chapter 24:31].
- Local and foreign investors wishing to establish a greenfield investment are required to visit the Zimbabwe Investment and Development Agency (ZIDA).

Business Registration Process

The New Administration introduced several reforms that resulted in the streamlining of the business start – up processes.



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Procedures for investing into Existing (Brownfield) Investments

- The RBZ through its Exchange Control Division, administers and facilitates foreign investments into existing entities and operations also known as Brownfield Investments.
- Brownfield Investment largely take the form of dilutions, mergers and acquisitions, rights issues, cross – border investments, restructuring and disinvestments.
- All the above investments require specific Exchange Control approvals.
- Foreign investors may invest up to 100% in unlisted companies for existing projects and Exchange Control permission is granted for such investments. These applications are in respect of foreigners investing into existing local enterprises not listed on the Zimbabwe Stock Exchange (ZSE).
- Applications for Exchange Control approval for Brownfield Investment are submitted through Authorised Dealers (banks) for onward submission to the Reserve Bank of Zimbabwe.
- The turnaround period for approving such investment proposals is 5 days.
- Foreign investors may subscribe for up to 100% primary issues of bonds provided the purchase is financed by inward transfer of foreign currency through normal banking channels.
- There is no limit on the level of participation by each investor, and they are free to dispose of their investments in the secondary market. The foreign investors are also free to buy and sell bonds in the secondary market.



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Procedures for investing into Existing (Brownfield) Investments - (cont'd)

- However, the Reserve Bank requires that investors provide proof of transfer of funds through normal banking channels. Disinvestment proceeds are freely remittable without seeking prior Reserve Bank of Zimbabwe approval.
- Further information can be obtained from www.rbz.co.zw

Procedures for Investing in Special Economic Zones

Any investor or investment vehicle who wishing to apply for a Special Economic Zone Licence may apply online on www.zida-invest.com or submit their application physically at First Floor, ZB Life Towers.

The processing of applications and the issuance of licence takes a maximum of 5 days, if an application has been submitted to the Authority in its complete form.



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Procedures for Investing in Special Economic Zones - (cont'd)

The Criteria for consideration of a Special Economic Zone Licence is as follows:

- the extent to which the proposed investment will lead to the creation of employment opportunities and the development of human resources;
- the degree of export orientation or import substitution of the project;
- the impact the proposed investment is likely to have on the environment and, where necessary, the measures proposed to deal with any adverse environmental consequences;
- the extent to which the proposed investment will result in the transfer of technology and managerial and other skills;
- the extent to which the proposed investment will establish linkages within the domestic economy;
- the extent of value addition and beneficiation of local raw materials and
- the extent to which the proposed investment will promote industrialisation of the domestic economy.



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Procedures for Investing in Special Economic Zones - (cont'd)

The following is the process for acquiring a licence in a Special Economic Zone:

- Fully completed Special Economic Zone Application Form.
- Certificate of Incorporation/Registration for the applicant's company
- Proof of finance for the project may be provided either by bank statements, confirmation letter from bank, confirmed bank loans, other confirmed credit facilities and or equipment/machinery.
- Brief resumes/CV's for Shareholders and or directors and copies of identification documents (national IDs for Zimbabweans and passports and visa /resident permits for foreigners).
- Feasibility study report
- Business plan which includes master plan, strategic plan, marketing plan and engineering drawings.
- An approved Environmental Impact Assessment Report (where applicable)

The Zimbabwe Investment and Development Agency will facilitate and assist in obtaining sectoral and secondary Licence from the sector regulators who include Ministry of Mines and Mining Development for mining licence, Zimbabwe Tourism Authority for Tourism licence, Ministry of Health and Child Welfare for Medical projects, Broadcasting Authority of Zimbabwe (BAZ) for broadcasting licence, the Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) for telecommunications and Reserve Bank of Zimbabwe for banking and insurance licence.



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How to invest on the Zimbabwe Stock Exchange

- The Zimbabwe Stock Exchange (ZSE) provides an alternative avenue for Foreign Portfolio Investment (FPI) injection into the local economy through the stock market.
- There are various active counters listed on the ZSE from various sectors of the economy including mining, agriculture, tourism, services and manufacturing.
- Such a wide range of share offerings provides foreign investors with a choice of sectors to invest in. Some counters on the ZSE have dual listings, which entitles them to listing on their foreign Stock Exchange markets.
- Foreign investors willing to participate on the ZSE are required to observe the regulations regarding purchase and sale securities.
- Further information can be obtained from www.zse.co.zw



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Procedures for Public and Private Partnerships (PPPs)

The public and private partnerships can be done either in new or existing projects. The Contracting Authority and ZIDA are the key institutions involved in the implementation of PPPs investments. There are principally two sources of origin of PPP projects.

Public Sector:

This is where projects originate from line Ministries, parastatals and other Government Departments / Entities and are referred to as Solicited Bids.

Private Sector:

This is where projects originates from private investors and are referred to as Unsolicited Bids



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Process Flow for Solicited bids

The following is the process flow for solicited bids:

- Project identification
 - Contracting Authority prepare and submits project proposal to ZIDA
- ZIDA appraises the proposal
- Market sounding
- Feasibility study
- Competitive bidding
- PPP Committee Assessment
- Cabinet Determination
- Cabinet may approve or reject the proposal
- Contract awarding
- Project implementation
- Asset handover



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Process Flow for Unsolicited Bids

The following is the process flow for unsolicited bids:

- Project identification
 - Private investor identifies a project, prepare and submits project proposal to ZIDA and or Contracting Authority
- ZIDA appraises the proposal in consultation with the relevant Contracting Authority
- Feasibility study (to be financed by the private partner)
- Benchmarking
- PPP Committee Assessment
- Cabinet Determination
- Cabinet may approve or reject the proposal
- Contract awarding
- Project implementation
- Asset handover

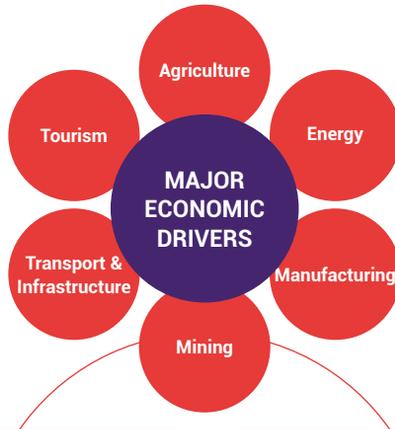
Further information can be obtained from www.zidainvest.com



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Unearthing **Potential!**

Potential Investment Sectors



Coal Bed Methane

Zimbabwe has an estimate of 40 cubic terra feet of Coal Bed Methane gas in Hwange, Binga and Lupane (Matebeleland North Province). This provides an opportunity for generating 300 Mega Watts of electricity.

Oil

Significant oil and gas prospects lie in the greater Muzarabani area, Zambezi basin, in the Mashonaland Central Province. The prospect lies in a 200km² radius and could hold up to 1.3 billion Barrels of Oil Equivalent (BOE), one of the largest globally.



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Unearthing Potential!

The Mining Sector 62 Minerals

Joint Ventures with the ZMDC to revive some mines and open new ones are opportunities available to investors.

- Mining exploration
- Funding the tooling of small scale miners
- Recapitalisation of mining operations
- Smelting and processing of minerals to produce finished products
- Diamond cutting and polishing
- Coal bed methane (CBM)

ZIMBABWE HAS:

The largest CBM reserves in the SADC region

The second largest reserves of platinum in the world

The world's second largest reserves of chromium

The world's fifth largest lithium resource



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Value Addition/ Beneficiation

- Diamonds-to-jewellery value chain;
- Chrome-to-chrome-plated goods value chain;
- Lithium-to-batteries (low iron content) ;
- Coal-to- fertiliser and coal-to-gas-to- electricity
- Coal-to-fuel and oxygen;
- the iron ore-to-steel products;
- Gold-to-jewellery;
- Granite stone -to-polished table tops/counterspolished tiles for the construction industry;
- Asbestos-to-roofing/piping products and
- Limestone-to quarry-to cement.





Agribusiness

- a. Manufacturing of Irrigation Equipment
- b. Precision Agriculture: use of digital solutions such as drones
- c. Production of pharmaceuticals for Livestock
- d. Agro-processing and value addition such as:
 - Cattle –to-beef and cattle-to-leather;
 - Cotton-to Clothing and Textile;
 - Grains-to-beer;
 - Soya-to- white meats and soya- to-cooking oil;
 - Wheat-to-bread and other confectioneries;
 - Crocodile-to-haberdashery products e.g. bags, caps, wallets, belts, shoes etc;
 - Tobacco-to-cigarettes;
 - Flowers-to-cosmetics/perfume;
 - Fruits-to-Juice value chain;
 - Processing of Macadamia nuts to oils and cosmetics;
 - Leather processing;
 - Tea processing;
 - Cotton lint processing;
 - Production of ethanol from sugarcane;
 - Manufacture of stock-feed from soya beans and
 - Making wine from grapes.



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Unearthing **Potential!**

Renewable Energy

The country has installed energy supply capacity of 1900 MW but production is around 1300 MW due to inadequate infrastructure. Against the expanding economy projected at 9% per annum and the long gestation of energy projects, the provision of energy is on high demand and a priority.

Opportunities in the energy sector are in the solar, coal bed methane, hydro and thermal power generation.

Waste to energy option can also be explored, taking advantage of the unexploited waste resources available in most towns and cities.

Transmission projects are also available to extend and expand the power wheeling capacity of the country.

The projects can be green or brown field ventures and investors can come in as Independent Power Producers (IPPs) or on a Build, Operate and Transfer and similar partnerships.



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Unearthing Potential!

Renewable Energy - (cont'd)

Energy Resource Base

The country has the best climate for renewable energy projects and vast deposits of fossil which can be turned into clean energy.

Energy Resources:

- Coal
- Coal Bed Methane (CBM) Gas
- Hydro
- Solar farms
- Biomass
- Wind
- Geothermal
- Natural Gas
- Uranium





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Unearthing **Potential!**

The Manufacturing Industry

The sector is showing signs of recovery, albeit with capacity utilisation still averaging 45%. Opportunities are in various value chains that link with other sectors of the economy in:

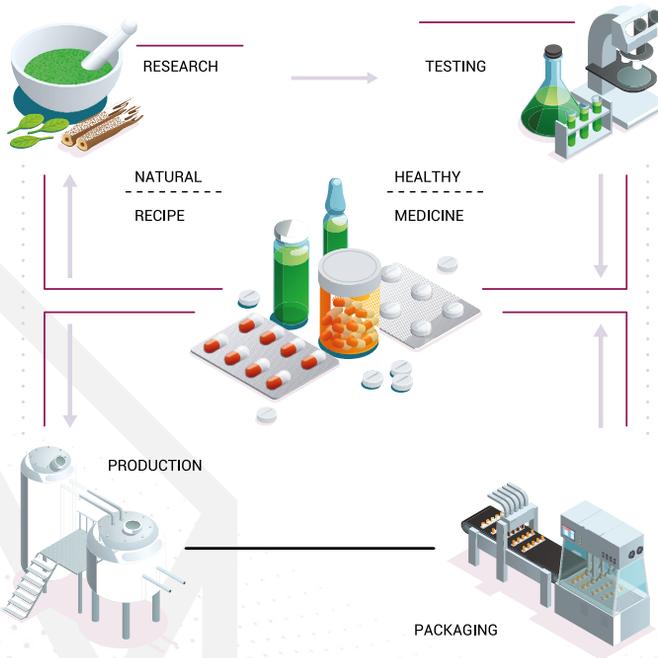
- Provision of finance to the manufacturing industry;
- Manufacture of inputs and chemicals used in agriculture, mining and industry;
- Manufacture and assembly of irrigation and mechanization equipment;
- Manufacture of electrical and electronic products;
- Motor vehicle assembly; and
- Manufacture of pharmaceuticals.



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Potential to use Indigenous plants into medicines/ drugs/ pharmaceuticals products





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The Petroleum Sector

Expansion of the existing oil pipeline to the Southern and Western parts of the country to serve local communities in these areas as well as facilitate fuel exports to countries within the region that are currently picking some of their fuel from Msasa in Harare and Feruka in Mutare.

Construction of Modern Oil refinery. Potential investors will be expected to carry out feasibility studies for the project.

Development of bio fuels including ethanol and biodiesel with mandatory blending of 20% (E20) and 2% (B2) respectively.

LPG storage and distribution. This is currently imported from South Africa and Mozambique by road. The estimated monthly consumption of gas is 3,000 tonnes, with demand continuing to grow.



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Unearthing Potential!

The Tourism Sector

Zimbabwe is endowed with vast tourist attractions ranging from natural to man - made historical sites. These include the Majestic Victoria Falls, the 'Smoke that thunders', which is one of the Seven Natural Wonders of the World; Lake Kariba; Great Zimbabwe Medieval City; the scenic beauty of the Eastern Highlands; Matopos, a Cultural World Heritage Site and the pristine habitats and wildlife.

Opportunities are in:

- Construction of 5 to 7-star Hotels and Lodges;
- Construction of International Convention Centres;
- Amusement parks;
- Themed parks;
- Photographic Safaris Camp Development; and
- Tour Operations.

The preferential policies include innovative incentive packages and the relaxation of a restrictive visa regime, as well as exemption of duty on capital equipment. The country is now offering an on-line visa system, as well as uni-visas for the regional connections.



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Unearthing **Potential!**

Infrastructure Development

Infrastructure remains pivotal in the National Investment Policy as it provides an opportunity for business and is an important enabler for economic growth. Opportunities in infrastructure development are in:

- Expansion and modernisation of roads, railways and airports;
- Industrial parks and shopping malls including utilities (roads, sewer, water, and power), office parks and residential houses;
- Water and sanitation including dam construction, sewer reticulation and waste management facilities;
- Specialised hospitals and ICT Infrastructure.

Investment can take the form of

Build – Operate – Transfer (BOT)
Build – Own – Operate – Transfer (BOOT)
Build – Transfer – Operate (BTO)
Build – Lease – Transfer (BLT)
Rehabilitate – Own – Transfer (ROT)
Rehabilitate – Own – Operate (ROO)

Funding models for infrastructure could be a mixture of public funding through the national budget, private initiatives, loan financing or public private partnerships.

Contact Details

Physical Address

1st Floor, ZB Life Towers
Cnr Jason Moyo & Sam Nujoma Street
Harare, Zimbabwe

Telephone

+263 86 880 02639-42

www.zidainvest.com

 @zidainvest

 @zidainvest

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