

Post-Budget Tax Spotlight

November 2025 Edition



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Disclaimer

This Spotlight contains fiscal measures presented to the Parliament of Zimbabwe by the Minister of Finance, Economic Development and Investment Promotion as part of the 2026 National Budget on the 27th of November 2025. The Spotlight is a consolidation of fiscal measures covered in both the Draft Finance Bill and the National Budget Statement and Budget Speech. The information is current as of 27 November 2025.

VALUE ADDED TAX (VAT)

VAT Rate

- ▶ To be increased 15% from 15.5% *effective 1 January 2026*.

Deemed Supplies - Mixed supplies

- ▶ Section 7(13) currently covers how tax should be applied when a single supply of goods or services consists of components that would normally be taxed at different rates (i.e. standard rated and zero rated) if paid for separately. In such cases, each component of the supply is treated as a separate supply for tax purposes, and each part is taxed at its applicable rate.
- ▶ The proposal provides an exception for mixed supplies that are either exempt or zero-rated and relate to entertainment, which will be taken to be a single supply that is taxed at the standard rate.

VAT on imported services

- ▶ Currently VAT on imported services is payable in local currency.
- ▶ Proposal for the VAT to be paid in foreign currency with effect from *1 January 2026*.

Penalty and Interest on VAT on imported services

- ▶ The proposal seeks to implement penalties and interest on late payments effective 1 January 2026.

INCOME TAX

Non-residents' tax on interest

- ▶ 15% non-residents' tax on interest to be reintroduced effective 1 January 2026.
- ▶ Tax withheld and return to be remitted within 30 days of the payment date.
- ▶ Payer who fails to withhold the tax will personally be liable for the tax due and an additional 15% of the tax amount due.

Exemptions

- ▶ Interest payable by licenced investors in respect of their business in a special economic zone
- ▶ Interest payable by the Infrastructure Development Bank of Zimbabwe to non-resident institutional shareholders

Residents' tax on interest

- ▶ Dividends distributed by building societies no longer liable to resident tax on interest and will be treated as a normal dividend.

Presumptive tax

- ▶ 10% presumptive taxpayer rental tax introduced.
- ▶ Refers to an incorrect schedule for mining royalties.
- ▶ The following operators will be migrated from presumptive tax to self-assessment;
 - a) Public service bus operators and operators of commuter omnibuses with seating capacity above 25 passengers.
 - b) Operators of haulage trucks; and
 - c) Operators of commercial water vessels.

Digital services withholding tax

Financial institutions to withhold 15% tax in lieu of VAT on imported services, for payments made to offshore digital platforms.

Tax incentives for a 24 hour economy

Introduction of targeted tax incentives for firms operating extended production or service hours in the manufacturing sector, where operators demonstrate incremental production and revenue.

Potential incentives are as follows:

- ▶ Additional tax deductions on selected expenditure incurred during extended operational hours;
- ▶ Accelerated wear-and-tear allowances on plant and equipment used in round-the-clock production cycles;
- ▶ Tax credits or concessions for firms maintaining minimum employment thresholds under shift-based operations; and
- ▶ Access to import duty concessions.

Requirement for valid tax clearance certificate prior to licensing or registration of specific trades, services, or entities

- ▶ The requirement for a valid tax clearance certificate for registration or licensing of certain professionals does not apply to new registrants.
- ▶ Applies only to renewal of practicing certificates or licences.
- ▶ If a dispute results in an appeal between ZIMRA and a listed professional, ZIMRA must issue a temporary tax clearance certificate valid for three months.
- ▶ The temporary certificate can be renewed once for an additional three months if the appeal is not resolved.
- ▶ Employees of such professionals will not be denied a practising certificate or registration because of their employer's failure to pay employees' tax or meet other legal obligations.

Intermediated money transfer Tax (IMTT)

- ▶ IMTT on ZWG transactions to be reduced from 2% to 1.5%.
- ▶ The definition of financial services to be extended to microfinance institutions.
- ▶ IMTT will be eligible as a deductible expense for income tax purposes for compliant taxpayers.

Bookmakers Tax

- ▶ The scope of bookmaker's tax to extend to all licensed bookmakers, lotteries and casino operators.
- ▶ Bookmakers tax increased from 3% to 20% and will be a final tax.
- ▶ Punters tax increased from 10% to 25%.

INTERNATIONAL TAX AND TRANSFER PRICING

Pricing of minerals exported from Zimbabwe (New Approved Transfer Pricing Method)

- ▶ Effective 1 January 2026, the quoted price method will be the primary method for determining the arm's length nature of mineral exports in a related party transaction.
- ▶ The arm's length price will be determined by reference to the London Bullion Market Association (LBMA), the London Metals Exchange or the Shanghai Metals Market.

Domestic minimum top-up tax (DMTT)

- ▶ With effect from 1 January 2026, the DMTT provisions now include the definition of a high-earning foreign entity, which is an entity with a minimum consolidated turnover of €750 million (or equivalent) in the previous assessment year.
- ▶ A high-earning entity earning taxable income in Zimbabwe will pay a DMTT at 15%, reduced by the corporate tax rate in their country of residence, or the tax under section 93, whichever is higher. If the calculated amount is less than 15%, the entity must still pay a minimum of 15% on its Zimbabwe-sourced taxable income.
- ▶ In addition, a high-earning foreign entity is required to submit a return in line with the country-by-country reporting framework upon submission of the self-assessment return.

Permanent Establishment

- ▶ Effective 1 January 2026, a company will be deemed to have a permanent establishment in Zimbabwe if it operates through a fixed place of business for 90 days or more within any 12-month period.
- ▶ For building sites, construction or installation projects, permanent establishment status applies from the commencement date of the site or project.

MINING SECTOR

- ▶ *Effective 1 January 2026*, mining companies will only be able to carry forward up to 30% of their assessed losses.
- ▶ The new mine method to be repealed. Miners can no longer claim the full cost of capital equipment in the year that it is brought into use.
- ▶ Revision of the gold royalty rate from a flat 5% to a 3-tier approach as follows;

Price per ounce (US\$)	Proposed royalty rate (%)
0 to 1 200	3
1 201 to 2 500	5
2 501	10

Levy on gross value of coal

- ▶ A 2% charge to be applied on the gross value of coal sales.
- ▶ Applies to both local and export sales.
- ▶ Levy to be paid in foreign currency.

Export tax on unbeneficiated lithium*

Current position

- ▶ 5% export tax paid on the gross fair market value of unbeneficiated lithium or unbeneficiated lithium petalite

*Finance Bill referenced amendment of section 12A instead of 12B

Proposed

Rate (%)	Type of Lithium	Base Price
10	Ore	Realisable value of lithium sulphate
5	Concentrate	
0	Sulphate	

Export tax on unbeneficiated chrome

Current position

- ▶ Unbeneficiated chrome not subject to export tax.
Proposed, effective *1 January 2026*:
- ▶ “unbeneficiated chrome means chrome ore and fines, including chrome ore that is crushed, milled and washed to remove waste material, and chrome concentrate that is smelted in pellet or ingot form.
- ▶ 5% to be levied on unbeneficiated chrome on the value of realisable ferro-chrome.
Value of supply is proposed to be the higher of;
 - ▶ the market value of realisable ferro-chrome from the exported chrome on the date of exportation as determined by reference to a reputable metals exchange; or
 - ▶ the value as reflected on the bill of entry or other required customs document is delivered to an officer under that Act.
- ▶ Time of exportation is the earlier of time when the bill of entry or any other required customs document is delivered to a ZIMRA officer or the time when the goods cross the borders of Zimbabwe.
- ▶ Unless the VAT Act provisions for imported goods and unbeneficiated chrome state otherwise, all relevant Customs and Excise Act provisions for exporting, moving, and clearing goods—including payment and collection of duties—apply to the VAT Act with necessary modifications, regardless of their usual applicability under the Customs and Excise Act.

Currency of payment for export taxes

Tax on the following unbeneficiated exported products to be paid in foreign currency :

- ▶ Unbeneficiated lithium
- ▶ Unbeneficiated hides
- ▶ Unbeneficiated platinum
- ▶ Uncut and cut dimensional stones
- ▶ Medicinal Cannabis

Proposed cash withdrawal levy

Monthly Withdrawal Threshold	Account Type	Proposed Tax Rate (%)
US\$1 to US\$500	Individuals	0
US\$1 to US\$5 000	Corporates	0
US\$501 to US\$1 000	Individuals	2
US\$5 001 to US\$10 000	Corporates	2
Above US\$1 001	Individuals	3
Above US\$10 001	Corporates	3

CAPITAL GAINS TAX

Special capital gains tax

- ▶ Introduction of special capital gains on transfer of shares or interest in land-holding entities effective **1 January 2024**.
- ▶ Tax will be applied to the value of transactions conducted outside Zimbabwe, where shares and interests are transferred to another entity, individual, or partnership, whether domiciled inside or outside Zimbabwe, on or after January 1, 2026.
- ▶ Payable not later than 30 days after date of entry into the share register, may be extended for a period not exceeding three months or staggered at intervals agreed by the Commissioner.
- ▶ Payable at the rate of 20% in foreign currency.

SPECIAL EXEMPTIONS

The Mutapa Investment Fund to be exempted from the following taxes;

- ▶ Capital gains tax
- ▶ Corporate income tax
- ▶ Resident shareholders' tax
- ▶ Non-resident tax on fees
- ▶ IMTT on the transfer of funds from the Mutapa Investment Fund to the Government of Zimbabwe, Mutapa Investment Fund subsidiaries and other specified entities.

CUSTOMS AND EXCISE

- ▶ Owners of fuel in transit are no longer required to provide a security deposit to cover potential duties or guarantee compliance with applicable laws.

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