

**ZIMRA**  
Zimbabwe Revenue Authority

# ZIMBABWE REVENUE AUTHORITY

Advancing Domestic  
Resource Mobilisation  
through Service Excellence  
and Voluntary Compliance

SCAN TO DOWNLOAD



INTEGRITY



TRANSPARENCY



FAIRNESS



COMMITMENT

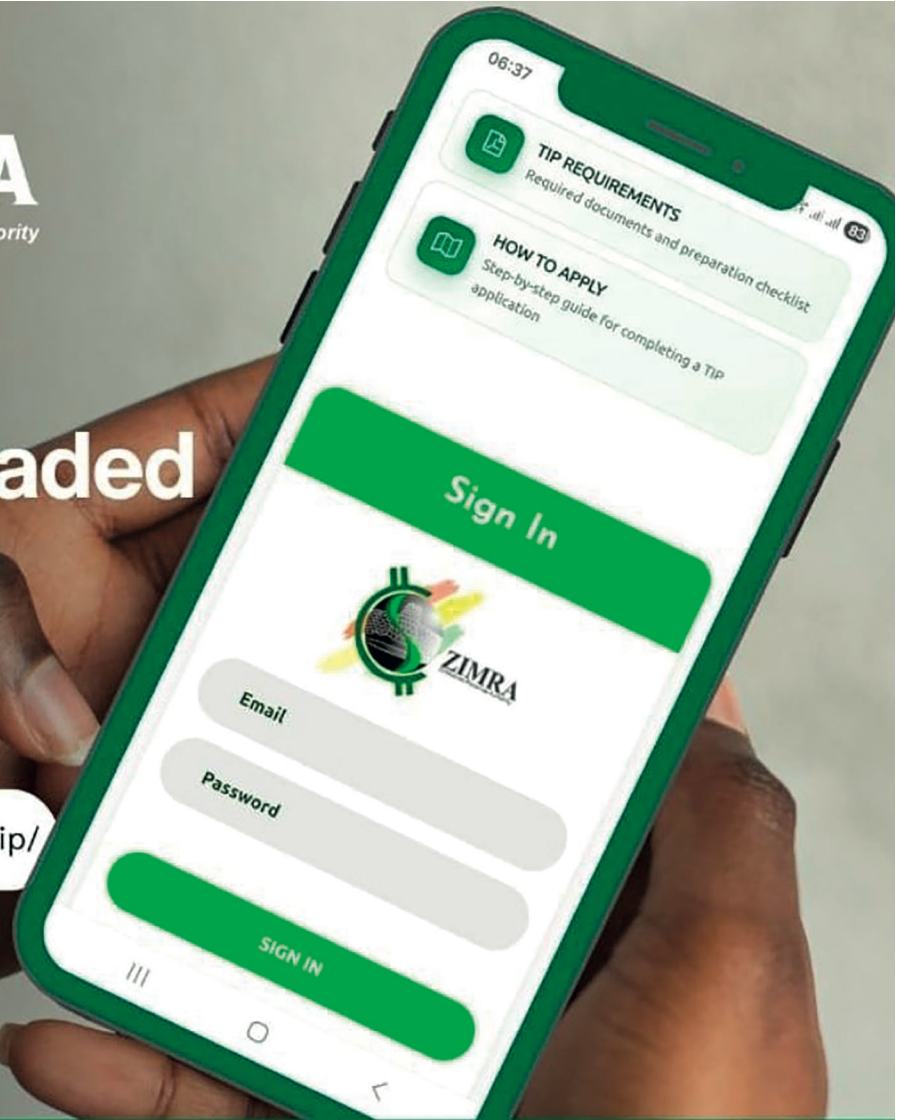


INNOVATIVENESS




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 [www.zimra.co.zw](http://www.zimra.co.zw)

we are here to serve



**ZIMRA**  
Zimbabwe Revenue Authority



# ZIMRA 2025 ANNUAL REPORT

Know your  
rights, hold us  
to our promise.



#### CLIENT SERVICE CHARTER

The Client Service Charter reaffirms the Zimbabwe Revenue Authority's (ZIMRA) commitment to provide high-quality service to our clients, customers, taxpayers, stakeholders, and the general public. ZIMRA prides itself in demonstrating high levels of professionalism through efficient and effective revenue mobilisation and facilitation of trade for over 20 years guided by our core values of Integrity, Fairness, Professionalism, Innovation, and Service Excellence. We declare upfront that all forms of corruption are not tolerated.

#### SERVICE DELIVERY

We commit ourselves to meet the following minimum standards in our service delivery:

- We shall neither solicit for, nor accept bribes, favours, and or payment over and above the charges that are prescribed by law and for services provided.
- We shall answer all calls courteously within 20 seconds or 3 rings during working hours.
- We shall acknowledge all written correspondence within 2 working days, respond within 3 working days on simple matters, and within 7 working days where research is needed.
- We shall acknowledge all social and digital media enquiries within a day and respond within 3 working days.
- We shall acknowledge all media queries within a day and respond within 3 working days.
- We shall accurately inform stakeholders of major developments within 2 working days using appropriate communication channels.
- All members of the public who call at our inland offices will be attended to within 10 minutes of arrival.
- All objections will be determined and the decision communicated to clients within 60 working days from the date of receipt of the letter of objection.
- Audits, excluding transfer pricing investigations, will be concluded within 90 working days from the date all required and relevant material and documents are received.
- Taxpayers will be registered within one working day upon meeting requirements for PAYE.
- Taxpayers will be registered within 14 working days upon meeting requirements for VAT.
- Commercial consignments will be cleared within 3 hours from the submission of correct and complete documentation unless selected for physical examination.
- All passengers on a flight will be cleared within 2 hours.
- A busload with bona-fide travellers will be cleared within an hour.
- Physical examination of road, air, and containerised cargo will be done within 48 hours.
- We shall treat all tax matters with privacy and confidentiality.

#### ZIMRA'S OBLIGATIONS TO CLIENTS

- We are accountable to the nation of Zimbabwe.
- We shall conduct our business within the confines of the Law.
- We do not tolerate, smuggling, tax evasion, corruption, favouritism, and discrimination.
- We shall carry out our duties professionally, diligently, and courteously.
- We shall clearly explain the procedure(s) and your rights should you be required to undergo a physical search.
- We promise to handle your information with strict confidence and to maintain your privacy.
- We are committed to minimising your compliance costs.
- We shall carry or wear the proper identification at all times as we carry out our duties.
- We are here to serve you and we are open to your suggestions, criticisms, and advice.

#### CLIENT'S OBLIGATIONS

In return, ZIMRA requires you to comply with all relevant laws, by providing accurate and complete information. More specifically:

- To treat our staff members fairly and with courtesy.
- To refrain from offering our staff members bribes.
- To submit statutory returns and make payments due within the required time.
- To be open and honest in providing any additional information that may be requested.
- To be fully co-operative in all business dealings with ZIMRA.
- To report and refrain from corrupt tendencies in all dealings with ZIMRA.
- To ensure that you have accurately completed all the necessary forms before departure from or arrival in Zimbabwe.
- To pay duties and taxes on time and in full.
- Be aware that all travellers' baggage or cargo is subject to physical examinations.
- To use the services of a licensed clearing agent if you are importing or exporting commercial cargo. The list of licensed clearing agents can be accessed on our website [www.zimra.co.zw](http://www.zimra.co.zw)

#### INFORMATION SERVICES

We are committed to providing proactive client education which includes:

- Making relevant information available to taxpayers, customers, stakeholders, and the general public, verbally and in the print, digital and electronic media as well as on our website ([www.zimra.co.zw](http://www.zimra.co.zw))
- Making available pamphlets, posters, video, and audio clips, and other relevant material.
- Access to a Client Care staff member at any station.
- Access to tip-off anonymous and Whistle-blower service as communicated on our website ([www.zimra.co.zw](http://www.zimra.co.zw))

#### CLIENT'S RIGHTS

As our clients and stakeholders, you have the right:

- To be treated fairly and with courtesy in all your transactions with us.
- To efficient service without compromise.
- To enquire or raise a complaint when not satisfied with the level of service offered.
- To receive up-to-date tax information and feedback on complaints raised.
- To escalate any service-related issues to the higher office, if not satisfied with the response or resolution provided.
- To offer suggestions that may enable ZIMRA to provide better services.

we are here to serve

Get in touch with us  
on the platforms  
below

Toll free number 585/  
for Netone 08010271  
WhatsApp 0717 585 585

Email [contactcentre@zimra.co.zw](mailto:contactcentre@zimra.co.zw)



[www.zimra.co.zw](http://www.zimra.co.zw)



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Zimbabwe Revenue Authority

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TOGETHER,  
WE BUILD.  
**TOGETHER,  
WE PROSPER.**

# MANDATE | VISION | MISSION | VALUES



**OUR VISION**

To be a beacon of excellence in the provision of fiscal services and facilitation of trade and travel.

**OUR MISSION**

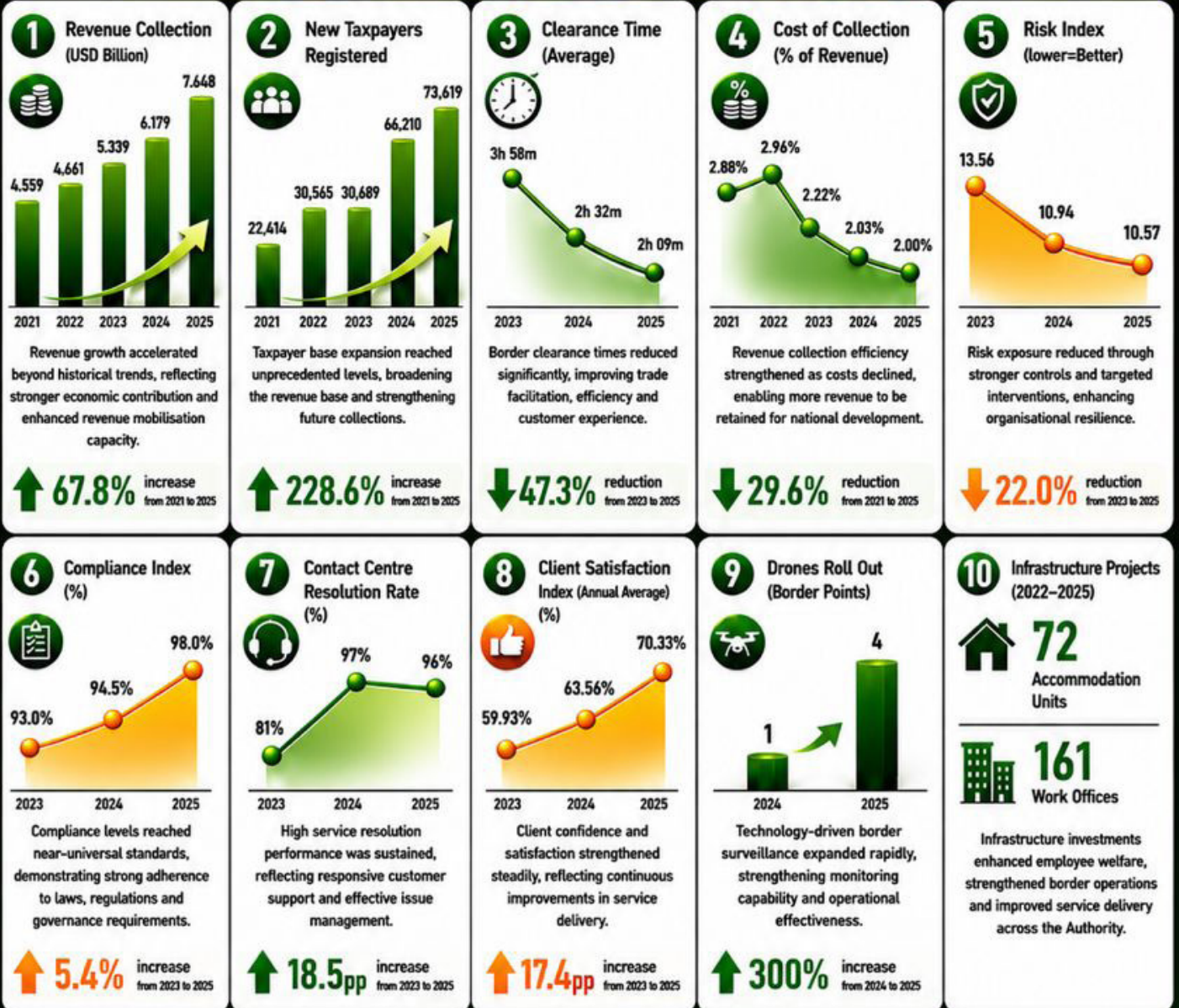
To mobilise revenue and facilitate sustainable compliance with fiscal and customs laws for the economic development of Zimbabwe.

## OUR VALUES

 <b>INTEGRITY</b> We uphold the highest standards of honesty, ethics and trust.	 <b>TRANSPARENCY</b> We are open, accountable and committed to clear communication.	 <b>FAIRNESS</b> We treat all stakeholders equitably and administer the law consistently.	 <b>COMMITMENT</b> We are dedicated, professional and results-driven.	 <b>INNOVATIVENESS</b> We embrace change and continuously seek better ways to serve.
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## Executive Summary : Strategic Performance Results



### Our Digital Transformation Journey



### National Recognition



## 2025 Presidential IRBM Awards Winner

- ★ Revenue Category
- ★ CEO Award Winner
- ★ Board Chairman Award Winner

ZIMRA was recognised for excellence in revenue administration, innovation and strategic performance.

### People & Staff Welfare



## IRBM Performance Score

**5.3 / 6.0**



Sustained high organisational performance reflected in a strong IRBM score and recognition at a national level.

## List of Acronyms

AGM	Annual General Meeting	OSBP	One-Stop Border Post
ASYCUDA	Automated Systems for Customs Data	PAYE	Pay as You Earn
ATAF	African Tax Administration Forum	PECOG	Public Entities Corporate Governance Act
BEPA	Bilateral Economic Partnership Agreement	PCA	Post Clearance Audit
BWAG	Botswana Trade Agreement	PMU	Procurement Management Unit
CBN	Collective Bargaining Negotiations	PPPs	Public-Private Partnerships
CGT	Capital Gains Tax	PRAZ	Procurement Regulatory Authority of Zimbabwe
CGWT	Capital Gains Withholding Tax	RBZ	Reserve Bank of Zimbabwe
CSA	Common Market for Eastern and Southern Africa	RIB	Removal in Bond
CVR	Central Vehicle Registry	RTGS	Real Time Gross Settlement
DFIR	Dividends, Fees, Interest and Remittances	SDC	Southern Africa Development Community (South Africa)
EPA	Economic Partnership Agreement	SADC	Southern African Development Community
ERM	Enterprise Risk Management	SAP	Systems, Applications and Products
GDP	Gross Domestic Product	SI	Statutory Instrument
ICT	Information and Communication Technology	SSA	Sub-Saharan Africa
IMF	International Monetary Fund	TAG	Trade Agreement Group
IPSAS	International Public Sector Accounting Standards	TaRMS	Tax and Revenue Management System
IRBM	Integrated Results Based Management	TIP	Temporary Import Permit
KPI	Key Performance Indicator	UNCTAD	United Nations Conference on Trade and Development
MoFEDIP	Ministry of Finance, Economic Development & Investment Promotion	VAT	Value Added Tax
MOU	Memorandum of Understanding	WTO	World Trade Organisation
MZA	Mozambique Trade Agreement	ZACC	Zimbabwe Anti-Corruption Commission
NAG	Namibian Trade Agreement	ZDF	Zimbabwe Defence Forces
NDS1	National Development Strategy 1	ZIMRA	Zimbabwe Revenue Authority
NPA	National Prosecuting Authority	ZIMSTAT	Zimbabwe National Statistics Agency
OECD	Organisation for Economic Co-operation and Development	ZINARA	Zimbabwe National Roads Administration
OPC	Office of the President and Cabinet	ZNA	Zimbabwe National Army
		ZRP	Zimbabwe Republic Police

# BOARD CHAIRMAN'S REMARKS

## Introduction

On behalf of the Board, I am pleased to present the Zimbabwe Revenue Authority Annual Report and Audited Financial Statements for the year ended 31 December 2025. This Report presents ZIMRA's performance and key achievements for the year, while also marking the culmination of the Authority's 2021–2025 Strategic Plan. The year under review, therefore, represents both a period of accountability for 2025 and a significant milestone in ZIMRA's five-year transformation journey.

## Economic Context

The operating environment remained broadly stable in 2025, with inflation contained and GDP growth sustained, both within the 4% to 5% range. This was underpinned by the Government's tighter monetary stance, restrained local currency liquidity and complementary fiscal measures aimed at containing exchange rate volatility and inflationary pressures. These conditions supported business activity and provided a more predictable environment for revenue mobilisation and tax administration.

## Strategic Progress

The 2021–2025 Strategy was anchored in the Integrated Results-Based Management System and aligned to the Government's National Development Strategy 1 (NDS1). The objectives of the NDS1 included stimulating inclusive economic growth, promoting industrialisation and advancing governance reforms. In support of this national agenda, the Authority continued to play a critical role in domestic resource mobilisation, the promotion of voluntary compliance and modernisation of trade facilitation through upgraded systems and improved processes at ports of entry. Notable progress was also achieved in advancing the digital transformation agenda and enhancing service delivery. These gains provided a solid foundation for reflection and positioned the Authority to shape future priorities under the 2026–2030 Strategy.



**Anthony S. Mandiwanza**  
ZIMRA Board Chairman

## Notable Achievements

In 2025, ZIMRA achieved considerable progress, including the implementation of the Tax and Revenue Management System (TaRMS) and the Fiscalisation Data Management System (FDMS). Significant projects during the 2021-2025 cycle included the Zimbabwe Electronic Single Window, Contact Centre, Queue Management System, Surveillance and Command Centre, Scanners, and the Drones Project. Some infrastructure projects for staff and office accommodation were completed in Chiredzi, Maitengwe and Chirundu. These initiatives significantly enhanced transparency, efficiency and taxpayer experience paving way for smarter data-driven administration.

ZIMRA attained ISO 9001:2015 certification, which marked a significant milestone in its transformative journey, ensuring processes adhere to an internationally recognised Quality Management System.

Net revenue collections reached an equivalent of USD7.69 billion, exceeding the target of USD7.2 billion by 6.90% (USD493.64 million). ZWG gross revenue earned increased from ZWG 123.40 billion in 2024 to ZWG 243.50 billion in 2025, representing an increase of ZWG120.10 billion, or 97.33%. The Authority will leverage lessons from the 2021–2025 Strategic Cycle to strengthen performance and drive greater revenue mobilisation in the next strategic cycle.

## Outlook

ZIMRA's success in achieving what initially seemed a daunting target sets a precedent for future endeavours and stakeholder expectations. The 2026 target of \$9.2 billion USD equivalent will be pursued through expanded audit coverage, targeted sector interventions, formalisation of the informal sector, intensified taxpayer education, and the utilisation of appropriate technologies.

Government projects a GDP growth of 5%, stable macroeconomic fundamentals and improved adoption of local currency which will anchor 2026 performance and beyond. NDS2 calls on

ZIMRA to play a critical role in domestic resource mobilisation.

In 2026, ZIMRA's strategic focus will be aligned to the National Development Strategy 2 (NDS2). It will prioritise automation of key processes, improved service delivery, digitalisation, leveraging technology to enhance business operations; and to combat corruption.

## Gratitude

ZIMRA continues to strengthen partnerships with key government institutions, the private sector, and development partners to enhance systems and build capacity. We take pride in collaborations which have been established and which facilitated integrated service delivery, as we move into the 2026-2030 planning cycle.

In closing, I extend my deepest gratitude to the Minister of Finance, Economic Development and Investment Promotion, Honourable Professor M. Ncube, Deputy Minister Honourable D.K. Mnangagwa, Permanent Secretary Mr. G.T. Guvamatanga, and the Ministry staff for their steadfast support and policy guidance. I also express heartfelt appreciation to the ZIMRA Board, Management, and Staff for their relentless commitment to service excellence.

Finally, to our valued taxpayers, your compliance is the cornerstone of domestic resource mobilisation and our broader national development agenda. Together, we will continue to drive Zimbabwe's progress towards Vision 2030.

Thank you.



**Anthony S. Mandiwanza**  
ZIMRA Board Chairman

# COMMISSIONER GENERAL'S MESSAGE



**Regina S. Chinamasa**  
ZIMRA COMMISSIONER GENERAL

I am pleased to present an overview of ZIMRA's revenue and operational performance for the year ended 31 December 2025. This period marks not only the culmination of our 2021–2025 Strategic Plan, but also a significant transition point as we prepare to embark on a new five-year strategic cycle commencing in 2026.

## Revenue Performance

It is my pleasure to report that ZIMRA earned gross revenue of ZWG243.50 billion in 2025 up 97,33% from ZWG123.40 billion. Indirect taxes remained the more dominant source of revenue, with a contribution of 58.63% with the remaining 41.37% coming from direct taxes. While PAYE and Corporate Income Tax continued to provide important support to the fiscus, VAT, Excise and Customs Duty accounted for a larger share of collections, indicating the continued resilience of consumption-based taxes. In particular, VAT's strong contribution highlights the effectiveness of administrative reforms and the broadening of compliance through digital monitoring systems.

## Strategic Initiatives

The positive performance reflects an improved operating environment and implementation of strategic initiatives aimed at enhancing collections. ZIMRA is leveraging digital technology for strategic planning and project management, notably through the Tax and Revenue Management System (TaRMS), Contact Centre, Fiscalisation Data Management System (FDMS), and the Zimbabwe Electronic Single Window (ZeSW) platforms. ISO 9001:2015 certification, at the close of 2025 is a commendable milestone set to further elevate ZIMRA's processes in line with international quality standards.

## 2026 Outlook

The year 2026 heralds the implementation of the National Development Strategy 2, which is anticipated to stimulate broad-based domestic economic growth. Inflation is projected to remain within single-digit levels, thereby fostering a stable macroeconomic environment conducive to enhanced productivity and business confidence. Furthermore, the Government's ongoing review of licences and fees is expected to significantly improve the ease of doing business, thereby attracting foreign direct investment while simultaneously nurturing local entrepreneurship and enterprise development. Complementing these efforts, deliberate measures to bring the informal economy into the formal tax net will be intensified. This approach seeks not only to broaden the revenue base, but also to promote fairness, inclusivity, and sustainability within the domestic resource mobilisation framework, ensuring that all economic actors contribute meaningfully to national development.

Against this favourable macroeconomic backdrop, ZIMRA is well positioned to exceed the projected revenue target of US\$9.2 billion in 2026, underpinned by sound fiscal policy measures and strengthened revenue administration systems. Our strategic focus will remain firmly anchored on enhancing service delivery and elevating the overall taxpayer experience. This will be driven by sustained taxpayer education initiatives, the accelerated adoption of innovative technologies and the continued automation of end-to-end processes.

## Gratitude

I extend my heartfelt appreciation to the Minister of Finance, Economic Development and Investment Promotion, Professor M. Ncube, Deputy Minister Honourable D.K. Mhangagwa and the Permanent Secretary, Mr. G.T. Guvamatanga, for their unwavering support.

I am equally grateful to the ZIMRA Board for its strategic direction, guidance and oversight, which continue to strengthen the Authority's ability to deliver on its mandate. I also wish to sincerely

thank Executive Management and our dedicated members of staff for their professionalism, commitment and hard work in driving revenue performance, operational efficiency and service delivery.

I further extend my appreciation to our valued stakeholders including the business community, development partners and fellow government agencies whose cooperation and collaboration have enhanced the effectiveness of our operations.

Finally, to our compliant taxpayers, I express my profound gratitude. Your continued commitment and contribution form the bedrock of our revenue performance and remain indispensable to the advancement of Zimbabwe's national development aspirations.

Thank you.



**Regina S. Chinamasa**  
**ZIMRA COMMISSIONER GENERAL**



**Fiscalise and interface your business to improve record keeping.**  
Issue fiscal invoices/receipts to your valued clients.

**ZIMRA**  
Zimbabwe Revenue Authority

**FDMS**  
Fiscalisation Data Management System

**ZIMRA**  
Zimbabwe Revenue Authority

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**we are here to serve**

# 2025 OPERATING ENVIRONMENT

## Global Operating Environment

Global economic growth declined slightly from 3.3% in 2024 to 3.2% in 2025. Persistent tensions and hostilities in global hotspots, such as the Middle East and the Russia-Ukraine conflict compounded the geopolitical climate. Heightened trade wars further strained international relations; notably, the United States' effective tariff rate surged to its highest level since the 1930s, triggering significant supply chain reconfigurations. Global inflation averaged 4.1% in 2025, and the IMF projects a further easing to 3.8% in 2026. Rapid advances in Artificial Intelligence (AI) and other Emerging Technologies provided a productivity buffer, fuelling robust capital spending in tech-heavy markets like the U.S. and India. The World Bank projects a 7% average decline in global commodity prices through 2025 and 2026, driven by slower growth and expanded oil supplies. Conversely, gold, one of Zimbabwe's primary exports, remained a key outlier, ending 2025 above USD4,500 per ounce, materially bolstering mineral-exporting economies. Euro Area GDP growth was expected to reach 1.2% in 2025 before easing to 1.1% in 2026 due to weak domestic demand.

## Regional Operating Environment

Economic growth in Sub-Saharan Africa (SSA) remained stagnant at 4.1% between 2024 and 2025. Growth across the region was constrained by persistent global instability, weak external demand, and domestic financing hurdles. Regional inflation is on a downward trend, with median rates expected to stabilise around 3.9%–4.0% through 2025–2026. The Southern African Development Community (SADC) economy grew from 2.6% in 2024 to 2.9% in 2025. SADC's growth trails the broader SSA average due to structural weaknesses, energy deficits, and high debt levels in several member states. Consequently, the region is prioritising renewable energy to ensure long-term stability and replace ageing infrastructure.

## Domestic Operating Environment

Zimbabwe's GDP growth rate maintained a steady 4%–5% for the period 2021–2025, driven by a strong post-COVID recovery, a robust mining sector, and resilience against drought impacts. In 2025, Zimbabwe's GDP growth was projected at 6.6%, a significant increase from the 1.7% recorded in 2024. This growth was led by Agriculture (24%), Mining (5.8%), and Manufacturing (4.2%).

Foreign currency receipts rose to USD16.2 billion in 2025, up from USD13.3 billion in 2024, with mining remaining the dominant export anchor. Diaspora remittances continued to drive residential construction and property transactions, with projections exceeding USD2.7 billion in 2025 and USD2.8 billion in 2026. In 2025, capacity utilisation was expected to recover to 54% from 52.1% in 2024 as production ramped up. For the 2021–2025 period, capacity utilisation remained stable, averaging 54.34%, reflecting modest but sustained industrial activity.

The National Development Strategy 2 (NDS2), the economic blueprint for the period 2026–2030, which builds on the successes of NDS1, was launched in November 2025 by His Excellency, the President, Cde. Dr. E.D. Mnangagwa. This marks a key milestone towards the Vision 2030 goal of transforming the country into a prosperous, upper-middle-income economy. The Authority will play a critical role in the execution of NDS2, particularly with Domestic Resource Mobilisation (DRM) given declining Overseas Development Assistance (ODA) and reduced multilateral funding. DRM is essential to achieving national development aspirations. To this effect, tax revenue is projected to contribute 95.4% of Government revenue for the 2026–2030 period, with the Tax-to-GDP ratio expected to rise from 14.4% in 2025 to 21.1% by 2030.

Zimbabwe's GDP was rebased from USD35.2 billion to USD44.4 billion to incorporate previously unrecorded activities, particularly within the large informal sector. The 2025 rebasing was greatly influenced by the economic census, which captured hidden activities in the informal sector, an area that accounts for 76.1% of the economy. Moving forward, ZIMRA will intensify efforts to tap into revenue from this sector in collaboration with key stakeholders.

Zimbabwe experienced currency and price stability in 2025, driven by close collaboration between fiscal and monetary authorities. Year-on-year inflation (ZWG) closed at 15% in December 2025. The exchange rate remained stable, ending the year at USD1: ZWG 25.98, a slight depreciation from USD1: ZWG 25.80, which was the closing rate for 2024. Furthermore, the parallel market exchange rate premium narrowed from over 36% in January 2025 to 21% by year-end, supported by tight liquidity and steady foreign currency inflows.

# Organisational Overview

## The ZIMRA Board



**Mr. Anthony S. Mandiwanza**  
Board Chairperson



**Mrs. Josephine Matambo**  
Vice Board Chairperson



**Mr. George Guvamatanga**  
Permanent Secretary Ministry of  
Finance, Economic Development  
& Investment Promotion



**Dr. Grace Muradzikwa**  
Finance & Administration.  
Committee Chair



**Dr. Ruth Ncube**  
Risk Committee Chair



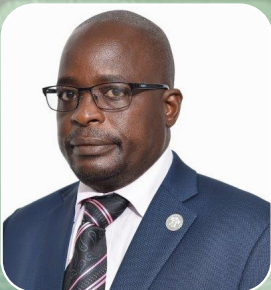
**Mr. Isaac Kwesu**  
Audit Committee Chair



**Mr. Memory Nguwi**  
Human Resources  
Committee Chair



**Ms. Mutsa Remba**  
Operations Committee Chair



**Dr. Paradza Paradza**  
ICT Committee Chair



**Mr. Bongani Khumalo**  
Board Member



**Mr. Johnsai Dewah**  
Board Member



**Ms. Regina Chinamasa**  
Commissioner General

# Organisational Overview

## Executive Management



**Ms. Regina Chinamasa**  
Commissioner General



**Mr. Misheck Govha**  
Commissioner-Domestic  
Taxes



**Mr. Batsirai D. Chadzingwa**  
Commissioner-Customs  
and Excise



**Mrs. Constance Shumbayawonda**  
Commissioner - Revenue  
Assurance



**Ms. Cynthia T. Mugwira**  
Director-Legal Services



**Mr. Samuel Sithole**  
Acting Director-  
Human Capital



**Mr. Shami Moyo**  
Director-Information  
Communication Technology



**Mr. Zabron Marowero**  
Director-Internal Audit



**Mrs. Ethel Chitanda**  
Director-Finance,  
Administration and Infrastructure



**Mr. Tapiwa Manyika**  
Director-Loss Control



**Mr. Ernest Masvavike**  
Director-Strategy,  
Research and Innovation



**Mr. Tonderai Shonhiwa**  
Director-Procurement



**Ms. Ropafadzai Majaja**  
Corporate Secretary



**Mr. Gladman Njanji**  
Corporate Affairs Executive



**Mr. Tinashe Makambaire**  
Acting Corporate Risk and  
Compliance Executive

# CORPORATE GOVERNANCE, RISK MANAGEMENT AND AUDIT ASSURANCE

## Governance Framework and Board Mandate

The Board operated in accordance with the Revenue Authority Act [Chapter 23:11] and the Public Entities Corporate Governance Act [Chapter 10:31] (PECOG Act), providing strategic direction and independent oversight to ensure the Authority effectively and ethically fulfilled its statutory mandate. Anchored on clear structures, disciplined processes, and a strong ethical foundation, the Board remained committed to accountability, integrity, and long-term value creation, while overseeing strategy, financial stewardship, risk management, performance, and regulatory compliance.

## Board Composition and Skills Profile Composition

The Board comprised twelve (12) members during the reporting period, made up of seven (7) males and five (5) females. Membership included:

- Ten (10) Non-Executive Directors
- The Commissioner General (Ex-Officio)
- The Permanent Secretary for Finance, Economic Development & Investment Promotion (Ex-Officio)

This structure ensured independence in oversight while maintaining alignment with national fiscal policy and administrative frameworks.

## Skills and Competencies

The Board maintained a broad and complementary skills base covering:

- Finance and Accounting
- Information and Communication Technology (ICT)
- Law and Corporate Governance
- Business and Strategic Management
- Risk Management
- Economics
- Human Resources Management

This diversity enabled the Board to effectively interrogate management proposals, oversee

complex projects and guide the Authority in a dynamic operating environment.

## Board Committee Structure

To enhance efficiency and focus, the Board discharged its responsibilities through seven (7) Committees established in accordance with the Revenue Authority Act [Chapter 23:11] and Part V of the Public Entities Corporate Governance Regulations, 2018. These are:

- Human Resources;
- Operations;
- Audit;
- Finance and Administration;
- Integrity;
- Risk; and
- ICT.

All the Committees were chaired by Non-Executive Directors to preserve independence. While the Committees provided detailed oversight within their mandates, ultimate responsibility for the affairs of the Authority remained vested in the Board.

The Committee activities were formally reported to the Board on a quarterly basis, facilitating integrated oversight and informed decision-making.

## Board and Committee Meetings

In compliance with Section 33 of the PECO Act, the Board convened:

- Quarterly scheduled meetings
- Special meetings as required
- Statutory meetings with the Minister
- The Annual General Meeting

Special meetings were convened primarily to address time-sensitive matters, particularly:

- Human capital issues such as recruitments for Executive positions (Human Resources Committee)
- Audits (Audit and Finance Committees)
- Key operational and transformation matters.

Attendance across Board and Committee meetings during the year was as per the table below:

Name of Board Member	Ad hoc		Integrity		Board Meetings		Human Resources Committee		Audit Committee		Risk Committee		Finance & Administration		ICT Committee		Operations Committee	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Anthony Mandiwanza (Chairman)	7	*	5	5	14	13	18	17	4	*	4	*	8	*	5	*	10	*
Josephine Matambo (Vice-Chairman)	7	*	5	5	14	14	18	*	4	4	4	*	8	*	5	5	10	*
Memory Nguwi	7	*	5	*	14	13	18	18	4	*	4	*	8	8	5	*	10	*
Isaac. Kwesu	7	*	5	*	14	6	18	*	4	4	4	3	8	*	5	*	10	*
Paradza Paradza	7	7	5	*	14	14	18	*	4	*	4	4	8	*	5	5	10	10
Ruth B. Ncube	7	7	5	*	14	14	18	*	4	*	4	4	8	8	5	*	10	10
Mutsa M. J. Remba	7	7	5	*	14	14	18	*	4	4	4	*	8	*	5	*	10	10
Grace Muradzikwa	7	7	5	*	14	11	18	12	4	*	4	4	8	8	5	*	10	*
George. Guvamatanga	7	*	5	*	14	-	18	*	4	-	4	*	8	*	5	*	10	-
Johnsai Dewah	7	*	5	5	14	14	18	18	4	*	4	*	8	*	5	5	10	*
Bongani Khumalo	7	7	5	*	14	14	18	*	4	4	4	*	8	8	5	5	10	10
Regina Chinamasa	7	*	5	4	14	14	18	18	4	*	4	3	8	8	5	5	10	10

### Key

\* not a member

- did not attend, and an apology was noted

### Board Performance Evaluation

The external Board evaluation provided valuable insights into the effectiveness of governance practices and identified areas for improvement. The recommendations arising from this evaluation informed targeted capacity-building initiatives and enhancements to Board processes during the year under review.

The Board remains committed to continuous improvement and periodic independent assessment in line with best corporate governance practices.

### Board Remuneration

Board fees and allowances were paid in accordance with the remuneration framework issued by the Office of the President and Cabinet, Corporate Governance Unit. This ensured adherence to national governance standards and reinforced transparency in compensation practices.

### Executive Leadership and Oversight

Executive Management, under the leadership of the Commissioner General, retained responsibility

for the day-to-day administration of the Authority and implementation of strategic objectives.

The Board maintained its oversight role by:

- Monitoring performance against strategic targets
- Reviewing financial and operational reports
- Overseeing risk management processes
- Ensuring compliance with statutory and governance requirements

This separation of roles preserved accountability while enabling effective execution of the Strategy.

### Transparency, Accountability and Disclosure

The Authority continued to uphold high standards of transparency and public accountability. Key measures included:

- Public access to governance documents, including:
  - \* The 2021–2025 Strategic Plan
  - \* 2024 Annual Report and Audited Financial Statements
  - \* Board Charter
  - \* Code of Ethics
  - \* Governing Legislation
  - \* Clients' Charter

- Regular updates on the ZIMRA website

In compliance with statutory requirements, Board resolutions were submitted to the Minister and to the Office of the President and Cabinet, Corporate Governance Unit. Board Minutes were also submitted to the Auditor General.

### Audit Assurance

The ZIMRA Internal Audit function maintained its organisational independence through functional reporting to the Audit Committee and administrative reporting to the Commissioner General, ensuring objective oversight and accountability.

During the year, the function adopted an agile auditing methodology to enhance responsiveness to emerging risks, prioritise high-risk areas, and support iterative audit delivery with real-time stakeholder engagement. This approach strengthened proactive risk mitigation in line with the Authority's dynamic operating environment.

All Internal Audit activities were conducted in accordance with the Global Internal Auditing Standards issued by the Institute of Internal Auditors (IIA). The function continued to apply a risk-based audit approach, successfully executing the Annual Risk-Based Internal Audit Plan, conducting targeted spot checks, and completing ad hoc assignments, including audit investigations. In compliance with directives from the Ministry of Finance, Economic Development and Investment Promotion (MoFEDIP), Value for Money reviews were undertaken on all strategic and critical procurements to promote efficiency, effectiveness, transparency and cost-effectiveness. In addition, project quality assurance reviews were conducted on key strategic projects, providing independent insights to strengthen project governance and delivery.

### Assessment of the Control Environment

The Internal Audit function conducted comprehensive reviews across the 2025 Audit Universe, covering Information Technology, operational, financial, governance, compliance, and risk management domains. These audit engagements identified several control weaknesses and high-risk areas requiring immediate management attention. Follow-up audits will continue to be undertaken to ensure timely closure of identified control gaps and to strengthen the overall control environment.

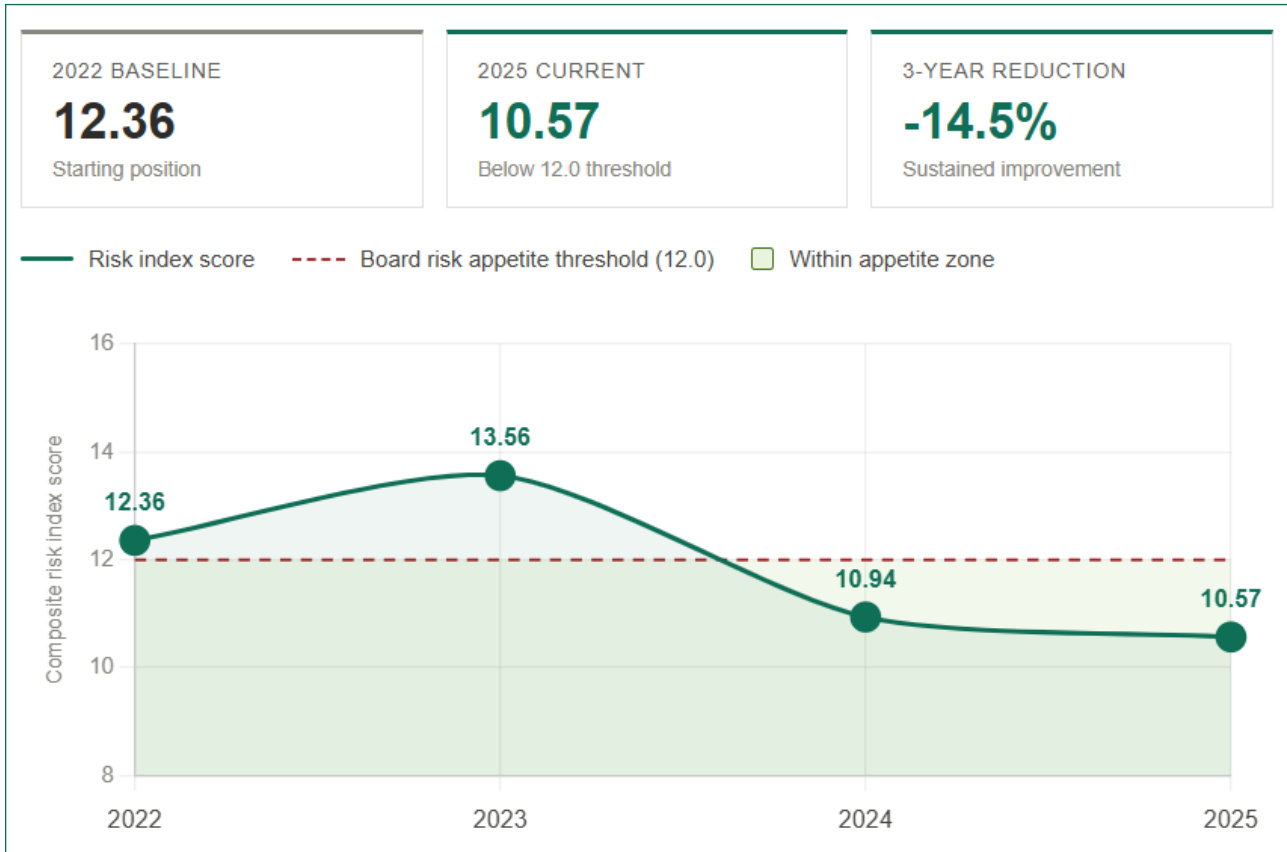
### Future Focus

The Internal Audit function demonstrated resilience and adaptability in 2025 by maintaining strong audit coverage and contributing to the strengthening of the Authority's control framework. Going forward, the function will focus on reinforcing internal controls through systematic follow-up of audit findings, enhancing stakeholder engagement and strengthening governance collaboration. Emphasis will also be placed on building specialised audit capabilities, optimising resource allocation and leveraging technology and data analytics.

The continued expansion of agile auditing practices, alongside sustained focus on Value for Money reviews and project quality assurance, will further enhance risk responsiveness and support the delivery of strategic value to the Authority.

### Risk Management

The Authority continued to strengthen its Enterprise Risk Management Framework, resulting in a measurable improvement in its overall risk profile. The Risk Index decreased from 10.94 in 2024 to 10.57 in 2025, reflecting a sustained reduction in residual risk exposure and enhanced effectiveness of mitigation strategies.



The positive movement reflects enhanced risk oversight, strengthened internal control effectiveness, and increased risk management maturity across the Authority. The sustained improvement demonstrates the Authority’s growing capability to maintain risk exposure within its defined risk appetite while supporting operational stability and safeguarding revenue integrity.

### Strengthening Regulatory Compliance

ZIMRA sustained strong progress in strengthening regulatory compliance and governance oversight. Building on the compliance improvements achieved in 2024, where the Compliance Index reached 94%, the Authority recorded further progress in 2025. The Compliance Index increased to 98%, reflecting sustained strengthening of governance controls and adherence to regulatory requirements. This achievement reflects the continued strengthening of compliance monitoring frameworks, enhanced accountability, and improved adherence to statutory and governance requirements.

**Apply for your TIP Online**

Apply for your Temporary Import Permit (TIP) online through ETIP platform before you reach the border for a faster, smoother crossing.

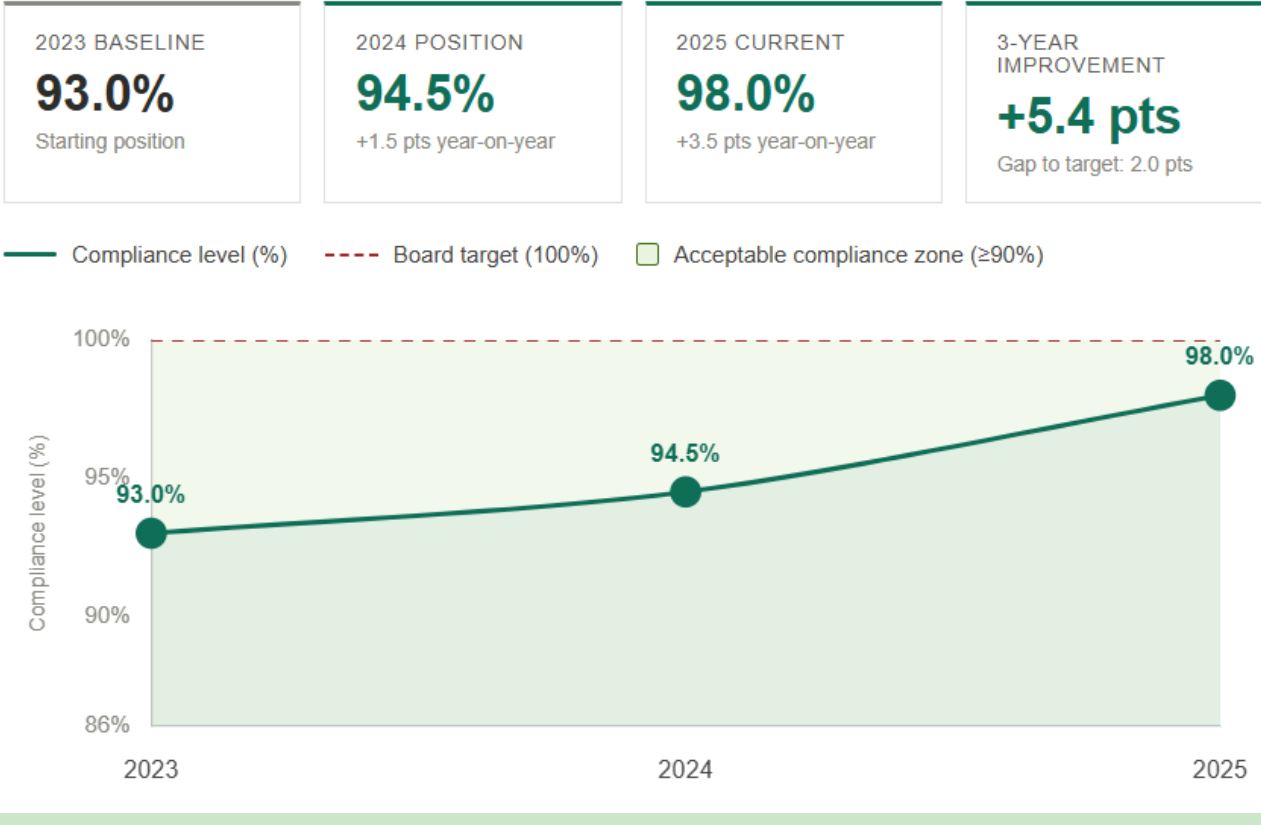
Skip the delays—get it done ahead of time here:

<https://ecustoms.zimra.co.zw/etip/>

**ZIMRA**  
Zimbabwe Revenue Authority

Get in touch with us on our contact centre  
 Toll free number 585/ for NetOne 080 10271  
 WhatsApp 0782 729 862  
 Email [contactcentre@zimra.co.zw](mailto:contactcentre@zimra.co.zw) **we are here to serve**

[www.zimra.co.zw](https://www.zimra.co.zw)



### Data Protection

ZIMRA was formally licensed as a Data Controller on 23 March 2025. This milestone confirmed compliance with statutory requirements and reinforced the Authority’s data protection and privacy governance framework for safeguarding personal information entrusted to it.

In compliance with the Cyber and Data Protection Act [Chapter 12:07] and Statutory Instrument 155 of 2024, the Authority operationalised an enterprise-wide compliance framework. The framework embeds independent oversight, standardised controls, and institutional accountability across all operational areas. This has strengthened governance integrity and enhanced regulatory assurance.

Key governance measures included the formal appointment of Designated Data Protection Officers and the enhancement of data breach response and incident escalation procedures. Data protection requirements were integrated into ICT risk governance and assurance activities. In addition, data protection risks were embedded within the Enterprise Risk Management Framework. Ongoing awareness and advisory engagements further strengthened organisational readiness and reinforced public confidence.



## ISO 9001:2015 QUALITY MANAGEMENT SYSTEM CERTIFICATION



*The Honourable Minister of Finance, Economic Development and Investment Promotion, Board Chairman, Risk Committee Chair and Commissioner General preside over a formal certificate presentation ceremony by SAZ Director, Technical Services, marking a significant milestone in strengthening governance, compliance, and institutional excellence at ZIMRA.*

The attainment of ISO 9001:2015 certification represents a significant milestone in the Authority's governance and institutional transformation journey, confirming the successful establishment of a structured, internationally recognised Quality Management System. The certification process involved comprehensive process reviews, standardisation and strengthening of operational controls, embedding risk-based thinking, leadership accountability and evidence-based decision-making. This achievement affirms the capability to deliver consistent, transparent, and reliable services in support of the revenue administration mandate.

The Authority will sustain certification through ongoing governance oversight, periodic internal and external audits, and continued institutional capacity development. This commitment will ensure the Quality Management System remains responsive to emerging risks and continues to support the Authority's digital transformation agenda, operational integrity and long-term organisational effectiveness.

## STRATEGIC GOALS AND ACHIEVEMENTS

ZIMRA contributed to National Development Strategy 1 (NDS1) National Priority on Economic Growth and Stability through Domestic Resource Mobilisation. It played a critical role in facilitating ease of doing business, consolidation of macro-economic stability and strengthening revenue collection. 2025 marked the final year of implementation of NDS1 and the 2021 – 2025 ZIMRA Strategy.

ZIMRA's Key Strategic Outcomes for the five – year planning cycle were:

- Improved Revenue collection.
- Increased voluntary compliance.
- Enhanced trade facilitation and protection of civil society, and
- Strengthened Institutional Image.

The Authority used the Strategy Implementation Matrix to monitor implementation of planned strategies and the Strategy Performance Evaluation Matrix to track the performance of Key Performance Indicators as indicated below.

# STRATEGIC GOALS AND ACHIEVEMENTS

2025 Strategy Implementation Status



## STRATEGIC PERFORMANCE ANALYSIS



- ✔ Strategic Performance in 2025 was 83.87%
- ✔ KPI above target or met was 83.87%
- ✔ KPI below target and within acceptable variance was 6.45%
- ✔ KPI below target or outside acceptable variance was 9.67%

## THE FOLLOWING KPIs DID NOT PERFORM TO EXPECTATION:

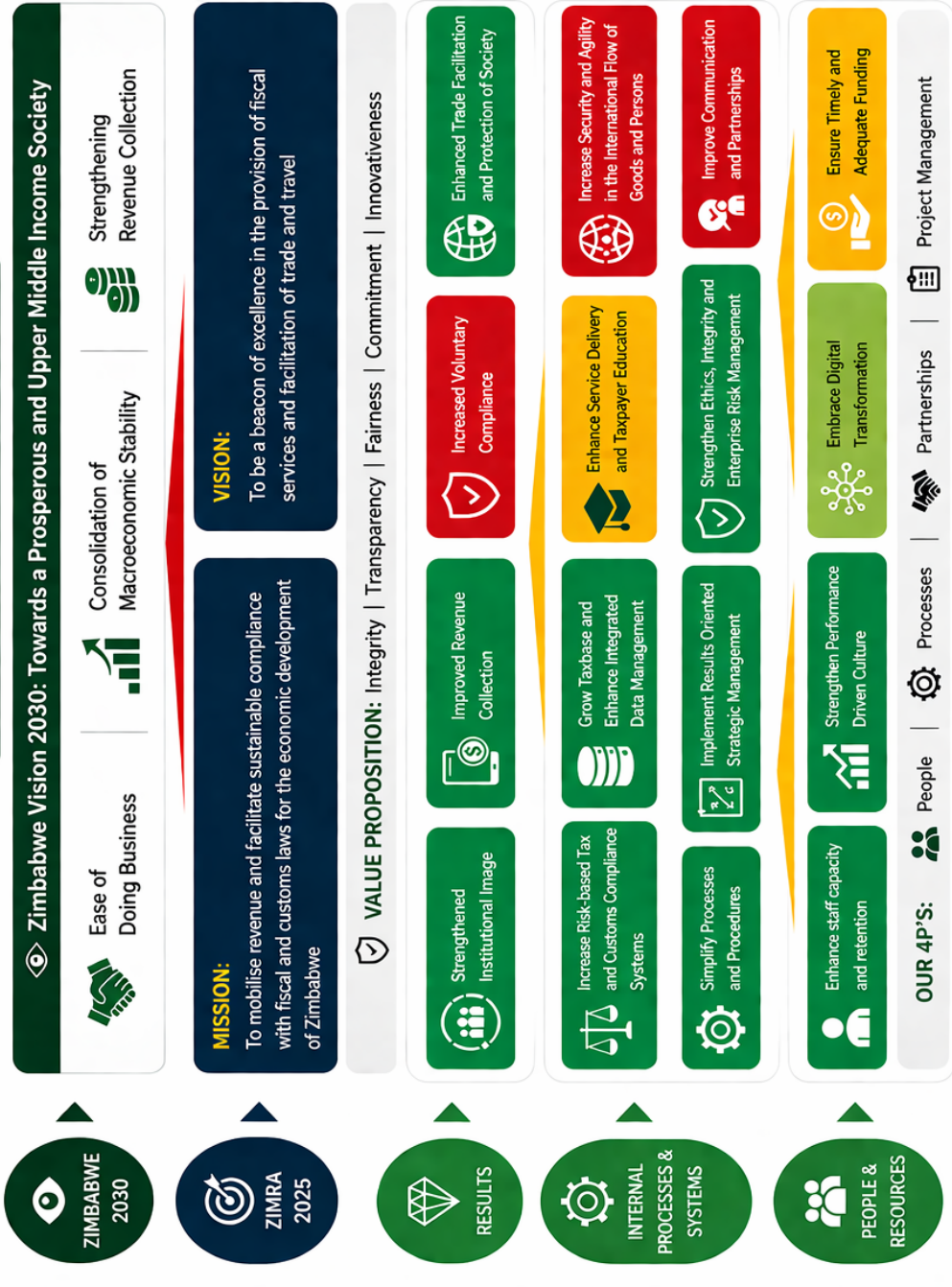


- Client Satisfaction Index
- Compliance Levels with Statutory Obligations
- Employee Engagement Index
- Maintenance of Buildings
- Disposal of Idle Assets

**5** TOTAL KPIs DID NOT PERFORM TO EXPECTATION

# Current Five-Year Strategy Plan Review

## Strategic Map – ZIMRA 2021–2025



**We Did It!**  
**ZIMRA**

has been awarded  
**BEST PERFORMING INSTITUTION**

under the  
**REVENUE CLUSTER**  
in the

**2025 PRESIDENTIAL IRBM AWARDS**  
★ ★ ★

**PERFORMANCE KEY**

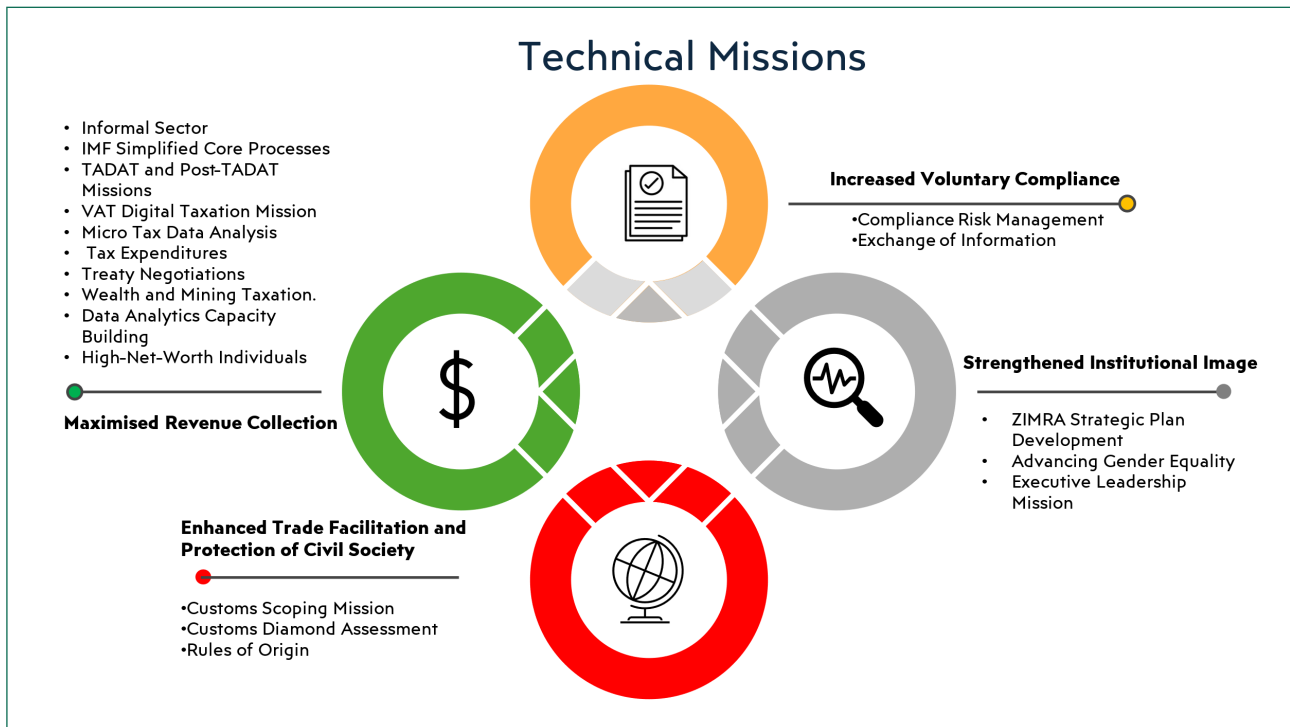
- SURPASSED TARGET
- ACHIEVED
- WITHIN VARIANCE
- BELOW TARGET

## INTERNATIONAL TECHNICAL ASSISTANCE

### Technical Missions and Quality Assessment Reports

ZIMRA received 22 Technical Assistance Missions from various Development Partners. These included the International Monetary Fund (IMF), World Bank, African Tax Administration Forum (ATAF), Intergovernmental Forum on Mining, Minerals, Metals and Sustainable

Development (IGF), His Majesty Revenue and Customs (HMRC), World Customs Organisation (WCO), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the United Nations Development Programme (UNDP) among others. The missions covered a broad spectrum of ZIMRA's strategic objectives as shown below.



### Tax Administration Diagnostic Assessment Tool (TADAT)

#### Assessment

ZIMRA tax system was evaluated using an integrated framework used to evaluate the performance maturity of a country's tax administration system, TADAT. The first assessment was in 2018 and a repeat assessment was successfully conducted in February 2025. TADAT provided an assessment baseline of ZIMRA's performance to determine reform

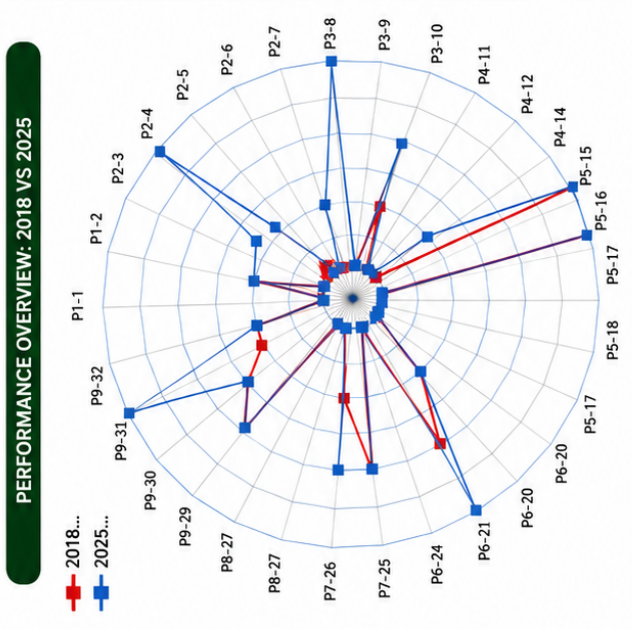
priorities and highlighted reform achievements. The results indicate that while there has been notable progress in reform efforts, there is still opportunity to improve the system of tax administration. The TADAT assessment was done on the following nine Performance Outcome Areas.

# 2025 TADAT ASSESSMENT RESULTS VS 2018 PERFORMANCE

Advancing Domestic Resource Mobilisation Through Tax Compliance and Service Excellence

### PERFORMANCE OVERVIEW: 2018 VS 2025

Indicator	2018 Score	2025 Score	Change
P1-1	D	D	-
P1-2	D	C	↑
P2-3	D	C	↑
P2-4	D	C	↑↑
P2-5	D	A	↑↑
P2-6	D	D	-
P2-7	(-)	D	↑
P3-8	(-)	C	↑↑
P3-9	(-)	A	↑↑
P3-10	D	D	-
P3-11	D	B	↑
P4-12	D	D	-
P4-13	(-)	D	-
P4-14	D	C	↑
P5-15	A	A	-
P5-16	A	A	-
P5-17	D	D	-
P5-18	D	D	-
P6-19	D	D	-
P6-20	(-)	D	↑
P6-21	D	D	-
P6-22	C	C	-
P7-23	B	A	↑
P7-24	D	D	-
P7-25	B	B	-
P8-26	C	B	↑
P8-27	D	D	-
P8-28	D	D	-
P9-29	B	B	-
P9-30	C+	C+	-
P9-31	C	A	↑↑
P9-32	C	C	-



### BUILDING A HIGH PERFORMANCE REVENUE AUTHORITY

Driving national development through tax compliance and service excellence.

**Stronger Foundation for Growth**

Enhanced systems, better compliance and improved service delivery

**100% Stronger or Stable Performance**

No decline in any indicator from 2018 to 2025

**2 Maintained Excellence**

Sustained top performance (P5-15, P5-16)

**4 Significant Improvements**

Moved from D to A (P2-5, P3-9, P9-31, P7-23)

**13 Indicators Improved**

Moved from D/C to A/B grades

The assessment noted strong performance in the following areas; monitoring and evaluation of compliance risk mitigation, time taken to respond to information requests, use of electronic payment methods, use of efficient collection systems and existence of a workable dispute resolution among others. Overall, in comparison to the 2018 assessment, across 32 indicators, 8 improved, 20 maintained the same score indicators while four were new indicators.

**Global Forum on Transparency and Exchange of Information for Tax Purposes**

ZIMRA advanced the importance of Exchange of Information (EOI) by strengthening international tax cooperation frameworks that support enhanced domestic resource mobilisation, improved voluntary compliance, and combating illicit financial flows. These activities under Exchange of Information, directly contributed to strengthening transparency, protecting the tax base, and reinforcing Zimbabwe’s reputation as a cooperative jurisdiction in line with international standards.

Zimbabwe signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAAC) in July 2025 as the 151<sup>st</sup> jurisdiction to join one of the world’s most comprehensive treaties for tax cooperation. This was a huge step in showing the country’s commitment to international tax transparency and cooperation.



ZIMRA Commissioner General, Ms Regina Chinamasa with OECD Deputy Secretary General, Mr Yoshiki Takeuchi, at the signing ceremony in France, 30 July 2025.

**ATAF High Networth Individual (HNWI) Technical Assistance**

ZIMRA is a member to the African Tax Administration Forum (ATAF), which provides collaboration and peer - learning to improve tax systems among African member tax administrations. With ATAF technical support, ZIMRA conducted a High-Net-Worth Individual (HNWI) study, which directly informed the need for a dedicated HNWI Unit. The study has helped sharpen an understanding of compliance risks and information gaps and improved collaboration with stakeholders, including financial institutions, the company registry, and the central bank.

**World Bank Support on Tax Negotiations**

Tax negotiations had been a long-standing capacity gap within ZIMRA and the World Bank assisted ZIMRA with capacity building and technical assistance. ZIMRA officials have been capacitated with tools necessary for strengthening negotiations thereby protecting Zimbabwe’s tax base, improving balanced agreements and aligning with global standards.

**Customs Diamond Assessment**

This is a diagnostic assessment tool designed to evaluate the operational performance, strengths and weaknesses of a customs administration. The assessment identified strategic strengths that underpin the modernisation trajectory and growing institutional performance in the area of Customs and Excise.

ZIMRA demonstrated consistent revenue growth, institutional commitment to trade facilitation, and continued investments in digital transformation and border management. The assessment also revealed a number of key operational and systemic gaps that may limit the sustainability and scalability of these gains. Some structural, procedural, and technological deficiencies remain particularly in risk management integration, data utilisation, post-clearance enforcement, and inter-agency coordination. Addressing the gaps is essential for enhancing efficiency, improving targeting precision and aligning with international best practices in customs performance and compliance management.



## STRATEGIC OUTCOME 1: IMPROVED REVENUE COLLECTION

### Revenue Performance and Analysis

This section analyses revenue performance for 2025 and the 5 - year strategy cycle from 2021-2025.

### Revenue Performance Trend 2021-2025 Summary

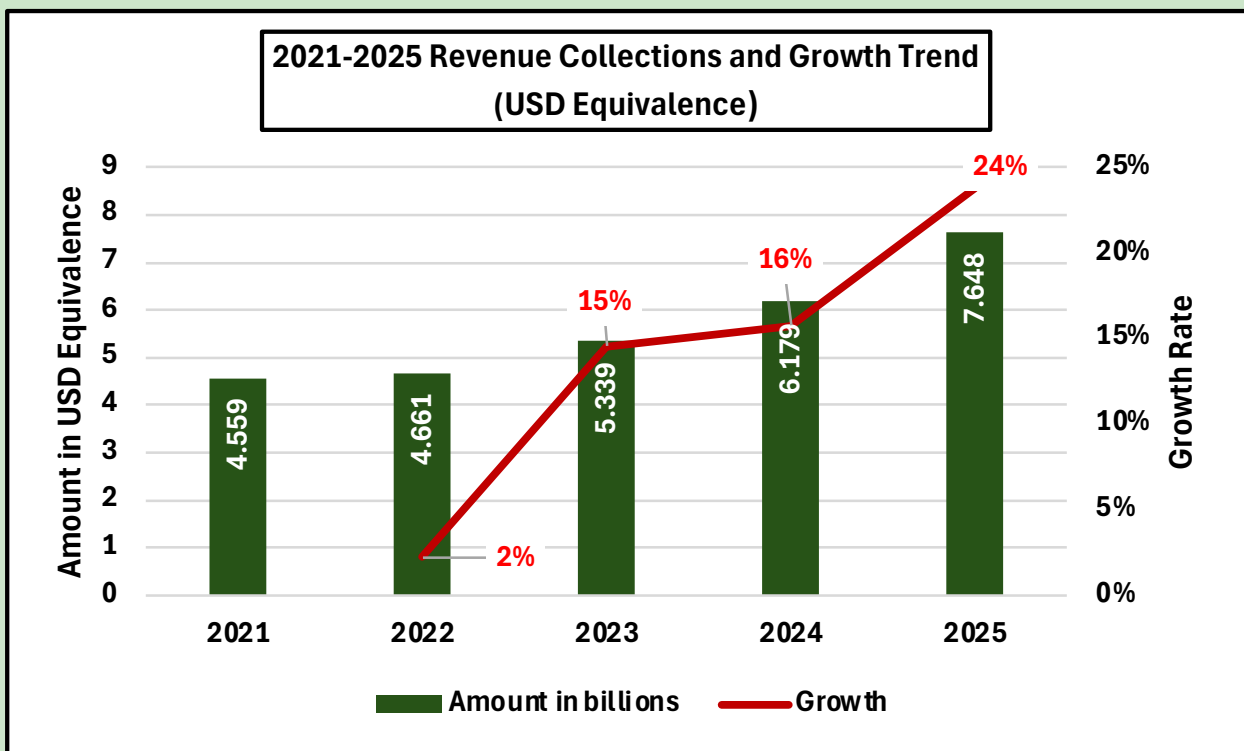
During the 5-year strategy period, the Authority recorded sustained growth in revenue mobilisation, reflecting improved revenue assurance mechanisms, strengthened compliance strategies, digital transformation initiatives, and closer stakeholder collaboration. For consistency and comparability across the years, all revenue figures were converted to US\$ equivalence.

Revenue collections increased from USD4.559 billion in 2021 to USD7.648 billion in 2025, representing an absolute increase in revenue of USD3.089 billion and a cumulative growth of 67.76% over the 5-year period.

While revenue growth in 2022 was modest at 2.2%, the Authority achieved a strong recovery in 2023 (14.5%), consolidated gains in 2024 (15.7%), and delivered exceptional growth in 2025 (24%); the highest annual increase in the five-year period. The consistent upward trajectory demonstrates institutional resilience, strategic focus, and the Authority’s expanding capacity to support national fiscal stability and development priorities.

The comparative performance is illustrated in the figure below.

2021-2025 Revenue Collections and Growth Trend

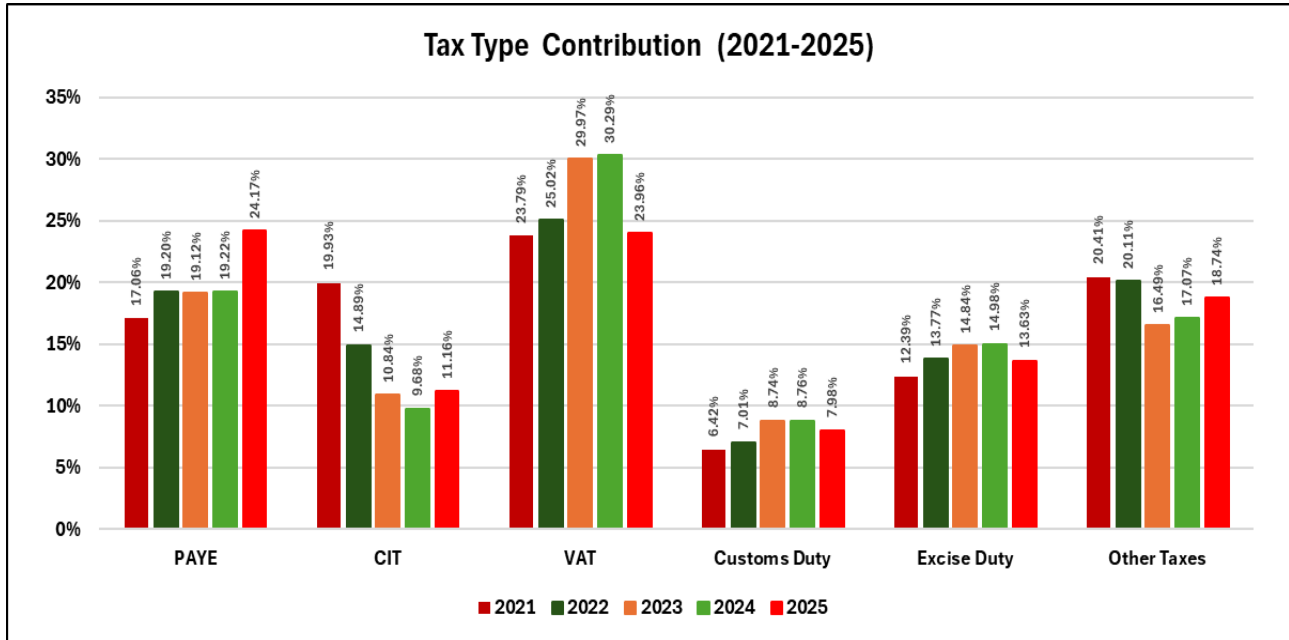


### Tax Type Contribution to Total Revenue: 2021-2025 Performance

VAT remained the highest contributor to total revenue during the 2021-2025 strategy period though there was a notable decrease in 2025. The decrease in VAT contributions in 2025 can be attributed to the downsizing of formal operators in response to informal sector activities, particularly in the wholesale and

retail sector. PAYE contributions showed an upward trend during the 5-year period, while CIT showed a fluctuating trend due to the changing operating environment, which affected profitability. Trade taxes such as Customs Duty and Excise Duty registered similar trends, increasing during the first three years before going down in the fourth year. Generally, dutiable imports increase when local production is constrained.

The figure below presents revenue contributions by major tax types to total revenue during the 5-year strategy period.



### 2025 Revenue Performance

The revenue target for 2025 was USD7.155 billion and for reporting purposes the target was converted to ZWG using a rate of USD1: ZWG27 translating to a target of ZWG193.21 billion.

Revenue collections registered a positive performance in 2025, with net collections of ZWG224.81 billion, surpassing the target of ZWG193.21 billion by 16.36%. This performance was on account of impressive results across various tax types, such as Pay as You Earn (PAYE), Corporate Income Tax (CIT), VAT on Imports, Capital Gains Tax (CGT) and CGT Withholding, Intermediated Money Transfer Tax (IMTT), Tobacco Levy, Carbon Tax, and Customs Duty, which exceeded their respective targets. The table below shows 2025 revenue collections by tax type against targets, with a comparison to 2024 performance.

2025 Revenue Collections against Targets and 2024 Performance (ZWG)

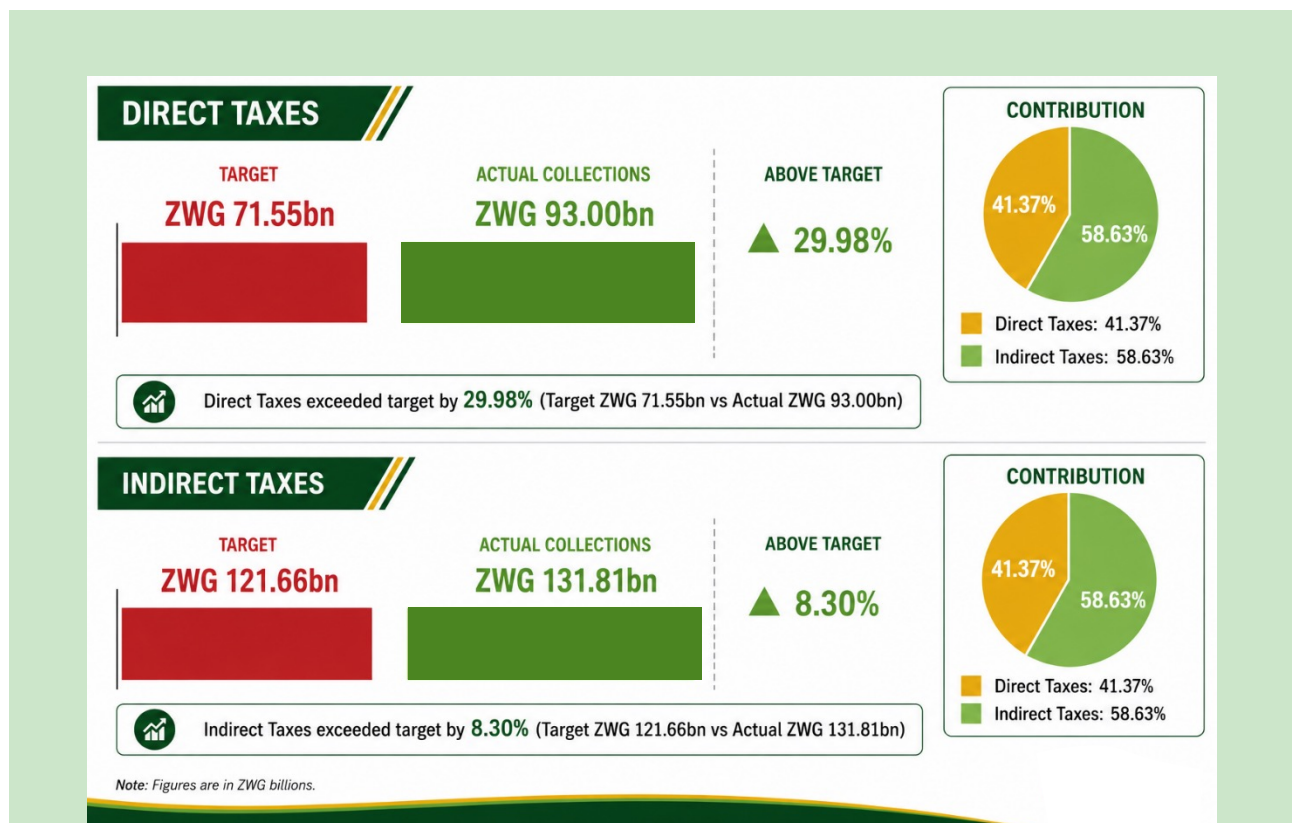
Tax Type	Target 2025	Actual 2025	% Variance	Actual 2024	Real 2025 Revenue	Real 2024 Revenue	Nominal Growth	Real Growth
PAYE	40,500,000,000.00	54,346,878,187.58	34.19%	22,571,495,345.13	54,346,878,187.58	33,211,758,313.79	140.78%	63.64%
Corporate Income Tax	18,900,000,000.00	25,095,857,369.49	32.78%	15,613,218,784.96	25,095,857,369.49	22,973,331,667.12	60.73%	9.24%
Gross VAT Local Sales	34,186,590,000.00	41,455,275,959.99	21.26%	29,509,883,872.29	41,455,275,959.99	43,420,921,655.78	40.48%	-4.53%
Less VAT Refunds	0.00	13,114,139,483.63		5,966,029,930.03	13,114,139,483.63	8,778,432,314.71	119.81%	49.39%
Net VAT Local Sales	34,186,590,000.00	28,341,136,476.36	-17.10%	23,543,853,942.26	28,341,136,476.36	34,642,489,341.07	20.38%	-18.19%
VAT on Imports	18,360,000,000.00	25,526,171,200.48	39.03%	12,811,128,870.60	25,526,171,200.48	18,850,329,110.74	99.25%	35.41%
Gross Customs Duty	13,734,900,000.00	17,995,755,385.35	31.02%	7,125,852,470.07	17,995,755,385.35	10,484,998,286.42	152.54%	71.63%



Tax Type	Target 2025	Actual 2025	% Variance	Actual 2024	Real 2025 Revenue	Real 2024 Revenue	Nominal Growth	Real Growth
Less Customs Refunds	0.00	48,123,280.92		32,658,382.62	48,123,280.92	48,053,631.09	47.35%	0.14%
Net Customs Duty	13,734,900,000.00	17,947,632,104.43	30.67%	7,093,194,087.45	17,947,632,104.43	10,436,944,655.33	153.03%	71.96%
Excise Duty	32,013,360,000.00	30,652,285,027.41	-4.25%	13,862,711,564.58	30,652,285,027.41	20,397,630,684.94	121.11%	50.27%
Mining Royalties	7,560,000,000.00	8,497,609,069.63	12.40%	3,799,256,494.43	8,497,609,069.63	5,590,236,115.76	123.67%	52.01%
30% Withholding Tax (Unregistered Taxpayers)	540,000,000.00	771,134,940.17	42.80%	829,586,308.13	771,134,940.17	1,220,655,501.32	-7.05%	-36.83%
IMTT	9,220,500,000.00	14,942,329,179.68	62.06%	6,655,977,656.89	14,942,329,179.68	9,793,623,235.97	124.49%	52.57%
Other Taxes	12,791,250,000.01	<b>12,753,950,341.01</b>	-0.29%	<b>7,119,488,349.47</b>	12,753,950,341.01	<b>10,475,634,102.44</b>	79.14%	21.75%
CGT & CGT Withholding	1,350,000,000.00	1,346,024,831.30	-0.29%	936,079,363.17	1,346,024,831.30	1,377,349,665.89	43.79%	-2.27%
Other Indirect Taxes	10,901,250,000.01	10,731,706,092.15	-1.56%	5,993,679,012.99	10,731,706,092.15	8,819,115,248.96	79.05%	21.69%
Tobacco Levy	540,000,000.00	676,219,417.56	25.23%	189,729,973.31	676,219,417.56	279,169,187.60	256.41%	142.23%
Carbon Tax	2,700,000,000.00	2,996,768,209.94	10.99%	1,588,826,751.24	2,996,768,209.94	2,337,803,909.65	88.62%	28.19%
DFIR	2,700,000,000.00	2,942,567,710.48	8.98%	984,545,415.36	2,942,567,710.48	1,448,662,744.05	198.88%	103.12%
<b>Total Net Revenue</b>	<b>193,206,600,000.01</b>	<b>224,814,319,816.67</b>	<b>16.36%</b>	<b>116,473,283,570.50</b>	<b>224,814,319,816.67</b>	<b>171,379,099,382.18</b>	<b>93.02%</b>	<b>31.18%</b>
<b>Total Gross Revenue (Exc. exchange gains)</b>	<b>193,206,600,000.01</b>	<b>242,199,420,381.85</b>	<b>25.36%</b>	<b>123,402,217,138.00</b>	<b>242,199,420,381.85</b>	<b>180,205,585,327.98</b>	<b>96.27%</b>	<b>34.40%</b>

### Direct vs Indirect Taxes Performance

The figure below show the performance of Direct and Indirect taxes in 2025 as well as the proportion of Direct and Indirect taxes to total revenue.

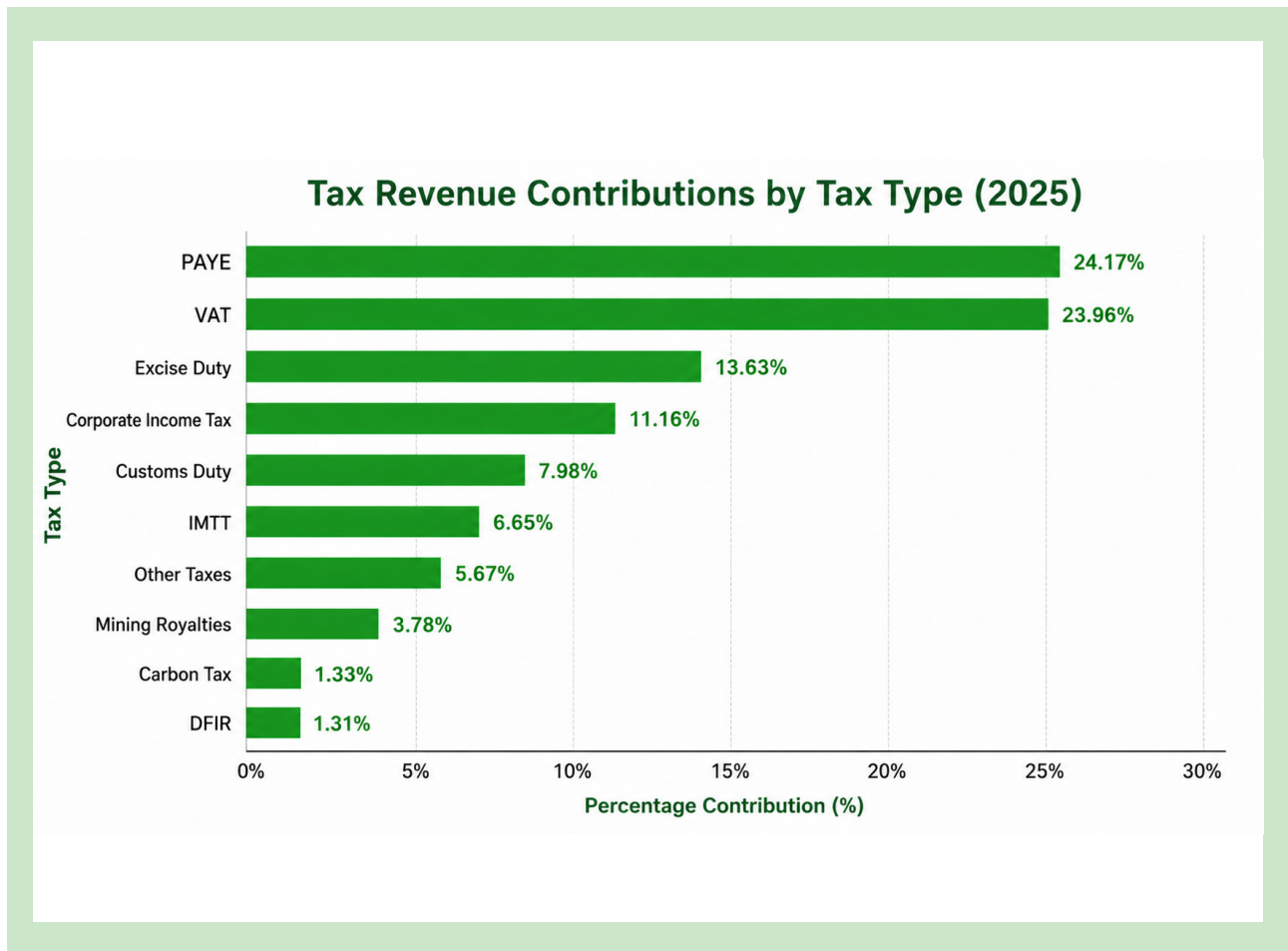


Indirect taxes contributed 58.63% to total revenue with the remaining 41.37% coming from direct taxes. Major indirect taxes are VAT, Excise Duties, Customs Duty and IMTT. The current revenue mix,

with approximately 58.63% from indirect taxes, is consistent with regional and emerging economy benchmarks, where indirect taxes typically dominate due to structural economic factors such as informality and ease of administration. However, when benchmarked against OECD and more advanced revenue authorities, there is a clear shift towards higher reliance on direct taxes, reflecting broader tax bases and stronger income tax systems. For ZIMRA, this presents a strategic opportunity.

### 2025 Revenue Contribution by Tax Type

The figure below summarises 2025 revenue contribution by tax type



#### 2025 Revenue Contribution by Tax Type

VAT, PAYE, Excise Duty and Corporate Income Tax were the highest contributors to 2025 revenue, accounting for 72.92% of the total revenue.

### Revenue Analysis by Tax Type

#### Value Added Tax (VAT)

VAT was the major contributor to revenue, a trend that has been consistent during the 5-year period. In 2025, VAT contributed 23.96% to total revenue; and an average contribution of 26.60% over the period 2021-2025. VAT on Local Sales contributed 52.61% to total VAT revenue in 2025, with the remaining 47.39% coming from VAT on Imported Goods and Services. Although VAT on Local Sales performed

below the target in 2025, revenue collections grew by 20.38% in nominal terms from 2024 collections. The performance of VAT as a major contributor to total revenue has been attributed to improved VAT administration through Fiscalisation Data Management System (FDMS), increased use of electronic payment systems as well as high consumer demand for vatable goods and services.

### Pay as You Earn (PAYE)

PAYE maintained consistent contribution to total revenue, with a contribution of 24.17% in 2025 and an average contribution of 19.75% during the 5-year period. Revenue from PAYE was 34.19% above the target in 2025, a performance that was driven by remuneration reviews that were implemented across sectors during the year.

### Corporate Income Tax (CIT)

Revenue collections from CIT registered positive performance, surpassing the target by 32.78% in 2025. Additionally, the tax type contributed 11.16% to total revenue in 2025, and averaged 13.30% from 2021-2025. The improved economic environment enhanced profitability, resulting in CIT registering positive performance in 2025.

### Excise Duty

Although Excise Duty missed the set target by 4.25% in 2025, the tax type remained one of the top contributors to revenue, contributing 13.63% to total revenue, and an average of 13.92% during the five year planning period. The tax type registered a real growth of 50.27% from 2024 revenue collections. Highest contributors to Excise Duty revenue were Fuel (70.38%), Airtime and Mobile Data (12.34%), and Alcoholic Beverages (7.27%). The implementation of anti-smuggling and consumer protection initiatives by the Authority and the Government have gone a long way in improving the consumption of excisable goods from the formal market, enhancing excise revenue from such goods.

### Customs Duty

Net revenue from Customs Duty was 30.67% above the target, with the tax type contributing 7.98%

to total revenue in 2025. During the 2021-2025 planning cycle, revenue contribution from Customs Duty averaged 7.78%. The performance was on account of enhanced anti-smuggling enforcement initiatives that were implemented during the years, and these include the use of drones and K9s to strengthen border surveillance, and scanners to enforce compliance. Furthermore, the joint anti-smuggling and consumer protection operation between ZIMRA and Government Agencies enhanced the performance of the revenue head. Collections from some of the initiatives are shown in the table below.

Initiative	ZWG	USD
Coordinated Border Management	172,96 million	1,04 million
Drones	21,49 million	747,379
Scanners	28.77 million	497,638

### Intermediated Money Transfer Tax (IMTT)

IMTT contributed 6.65% to total revenue in 2025, up from 5.71% in 2024 and 4.56% in 2023. The tax type contributed an average of 7.20% to total revenue during the 2021-2025 period. Revenue from IMTT surpassed the 2025 target by 62.06%. This performance is attributed to increased use of electronic and mobile money platforms.

### Mining Royalties

Revenue from Mining Royalties contributed 3.78% to total revenue in 2025, an improvement from 2023 and 2024 where the tax type contributed 2.93% and 3.26% respectively. Additionally, mining royalties contributed an average of 3.19% to 2021-2025 total revenue. The tax type registered positive performance, exceeding the target by 12.40%. The performance of Mining Royalties was mainly on account of favourable gold prices on the global market, which drove sales volumes up.

### Other Taxes

Revenue from Other Taxes contributed 5.67% to 2025 total revenue, up from 5.15% in 2024. Revenue from Indirect Taxes were 0.29% below the target. The table below shows tax types reported under Indirect Taxes, with other taxes, fees, fines

and licences composed of stamp duties, Electronic Cargo Tracking System (ECTS) fines, business licences, interest charges, fast food tax, betting tax, plastic bag tax, state warehouse rent, bookmakers' tax and accounting fees.

### Disaggregation of Other Indirect Taxes

#### Disaggregation of Other Indirect Taxes

Tax Type	2025 Target ZWG	2025 Actual ZWG	Variance	% Contribution
Presumptive Tax	810,000,000.00	160,680,397.39	-80.16%	1.50%
Strategic Reserve Levy	9,720,000,000.00	9,307,677,182.27	-4.24%	86.73%
Other taxes, licenses, fees, fines	371,250,000.01	1,263,348,512.49	240.30%	11.77%
<b>Total</b>	<b>10,901,250,000.01</b>	<b>10,731,706,092.15</b>	<b>-1.56%</b>	

### 2025 Sectoral Contribution

Sectoral contributions to 2025 revenue are presented in the figure below.



#### 2025 Sectoral Revenue Contribution

Top 5 sector contributors to 2025 revenue accounted for a combined 83.35% and these are Finance and Insurance (20.01%), Information and Communication (19.70%), Manufacturing (16.65%), Mining and Quarrying (14.99%), and Wholesale and Retail (12.00%).

Other sectors comprise of Construction (1.69%), Transport and Storage (1.49%), Administration and Support Services (1.37%), Accommodation and Food Services (1.02%), Other Service Activities (1.02%), Real Estate Activities (0.88%), Human Health and Social Work (0.29%), Mining and Quarrying Support (0.16%), Professional, Scientific and Technical Services (0.07%) as well as Education (0.01%).

## 2025 Debt Position

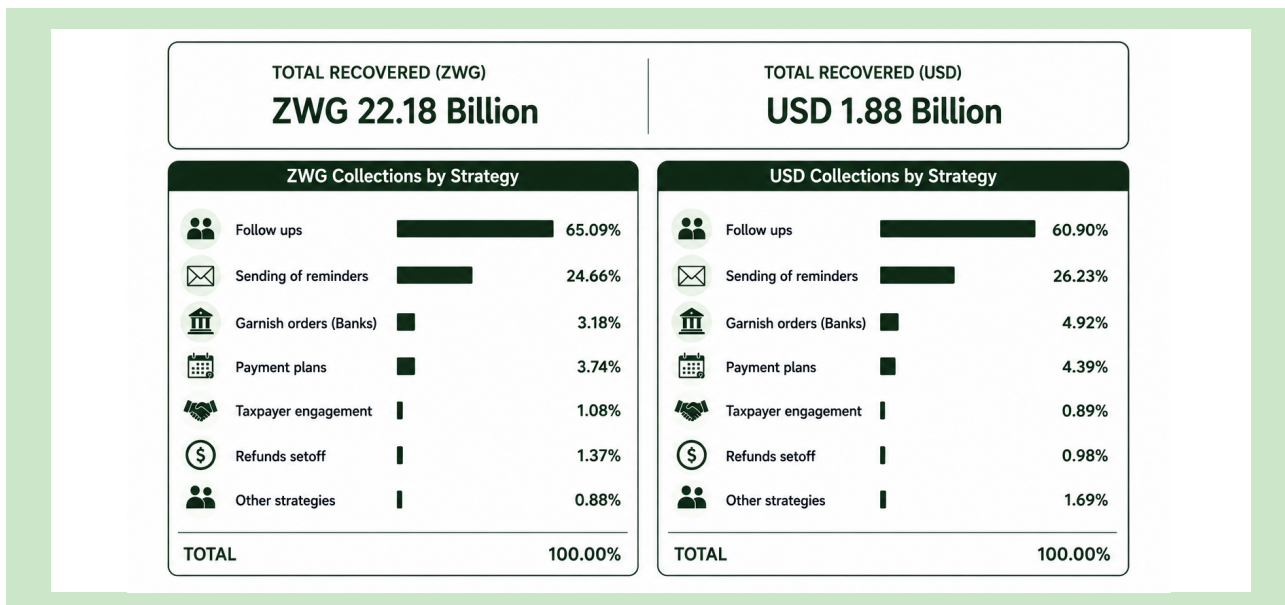
Debt increased by 35.53% from ZWG22.98 billion in 2024 to ZWG31.15 billion in 2025. The increase in debt is on account of intensive audits, investigations and routine compliance checks which resulted in assessments being raised from non-compliant taxpayers. This shows that Auditors and Investigators are doing their work of unearthing undeclared income. However, non-compliance by some taxpayers is also contributing to the increase.

Debt-to-Revenue Ratio decreased from 19.7% in 2024 to 13.85% in 2025. The table below summarises debt by tax type.

2025 Debt Position (ZWG)

Tax Type	2024	2025	% Change
VAT	7,538,053,485.01	15,878,592,991.19	110.65%
PAYE	1,609,848,867.54	3,265,290,330.63	102.83%
CIT	6,396,597,802.30	10,189,823,906.99	59.30%
Customs	12,108,065,367.92	12,751,179,244.46	5.31%
Other Taxes	1,848,458,232.16	2,456,850,930.94	32.91%
Total	29,501,023,754.92	44,541,737,404.21	—
Less Impairment	(6,519,992,640.37)	(13,394,400,577.50)	105.44%
<b>Total Debt</b>	<b>22,981,031,114.56</b>	<b>31,147,336,826.71</b>	<b>35.53%</b>
<b>Debt to Revenue Ratio</b>	<b>19.7%</b>	<b>13.85%</b>	<b>—</b>

## Debt Management Strategies Implemented and Revenue Recovered



## Refunds (ZWG)

During the period, the Authority processed a total of ZWG17.39 billion in refunds across all tax heads, representing approximately 7% of total revenue collections. This reflects ZIMRA’s continued commitment to efficient, transparent, and taxpayer-centric administration. The refunds profile was largely driven by Value Added Tax (VAT), which accounted for the majority share, underscoring the scale of economic activity and the effectiveness of VAT administration systems. The sustained processing of refunds at this scale plays a critical role in supporting business liquidity, enhancing taxpayer confidence, and reinforcing voluntary compliance, thereby contributing to a more credible and responsive Tax Administration Framework.

Going forward into 2026, the Authority will continue to enhance refund management through improved risk-based audit frameworks, automation of refund verification processes, strengthened post clearance and compliance audits, and closer taxpayer engagement to promote voluntary compliance and faster processing of genuine claims. This approach seeks to strike an appropriate balance between facilitating legitimate business cashflows and protecting domestic revenue mobilisation objectives.

### Tax Expenditures

Tax expenditures (previously referred to as Revenue Foregone) are reductions in tax liabilities that are granted in the form of concessions, exemptions, allowances, credits and rate reliefs. They are granted to promote investment, stimulate specific sectors and to correct market failures through addressing under-investment in public goods.

In 2025, a total of ZWG269.60 billion was granted as tax expenditures and these consisted of ZWG239.09 billion from VAT on Local Sales, ZWG24.75 billion from Customs Duty and ZWG5.76 billion from VAT on Imports. Tax expenditures constituted 76.52% of potential revenue from VAT and Customs Duty.

The table below summarises tax expenditures granted in 2025.

2025 Tax Expenditures (ZWG)

Tax Head	Tax Expenditure Amount	Gross Collections	Potential Gross Collections	Relief Amount as % of Gross Potential Revenue
VAT on Local Sales	239,091,751,894.37	43,248,275,025.36	282,340,026,919.73	84.68%
VAT on Imports	5,760,130,191.52	23,858,404,616.63	29,618,534,808.15	19.45%
Customs Duty	24,751,174,524.35	15,603,346,919.94	40,354,521,444.29	61.33%
<b>Total</b>	<b>269,603,056,610.24</b>	<b>82,710,026,561.94</b>	<b>352,313,083,172.18</b>	<b>76.52%</b>

The projected economic growth for 2025 was expected to be driven by the Agriculture (24%), Mining (7.3%) and Manufacturing (4.2%) sectors. Notwithstanding this performance, it is important to note that a sector's contribution to Gross Domestic Product (GDP) does not necessarily translate into a commensurate increase in tax revenue. This divergence may be attributed, in part, to the provision of tax incentives designed to attract investment, stimulate economic activity and promote employment creation.

### Revenue Collection Challenges

**Informal sector and cash economy:** The past few years have seen tremendous growth in the informal sector, where many businesses operate outside formal regulatory frameworks. These enterprises often conduct transactions in cash, maintain limited or no records, and avoid official registration, making it difficult to tax and monitor their activities thereby creating an uneven playing field between formal and informal sectors.

**Tax evasion and non-compliance** remain a major challenge, thereby undermining revenue collection. It involves the deliberate and illegal avoidance of tax obligations through practices such as underreporting income, inflating expenses, falsifying financial records, or failing to file tax returns altogether. Non-compliance also includes late filing, inaccurate reporting, and failure to register for tax purposes.

To address these challenges, ZIMRA continues to strengthen compliance management through risk-based audits, data-driven taxpayer profiling, enhanced third-party information matching, digitalisation of tax processes, and targeted enforcement measures aimed at improving voluntary compliance, broadening the tax base, and safeguarding domestic revenue mobilisation.



*The Minister of Finance, Economic Development and Investment Promotion Honourable Professor M. Ncube inspecting detained smuggled goods in a ZIMRA State Warehouse.*

## Stakeholder Engagement

ZIMRA employs various strategies including client education and feedback platforms, to address gaps in service delivery and tax administration. A key focus is educating clients on their rights and obligations.

## Taxpayer Education

In 2025, taxpayer education was central to ZIMRA's efforts to promote voluntary compliance and responsible tax citizenship. The Authority intensified outreach initiatives to inform taxpayers about their rights, obligations and available digital services.

Nationwide workshops were held targeting corporates, small and medium enterprises, informal sector operators and individual taxpayers. These sessions provided practical guidance on registration, filing, payment processes, and the use of digital tools like the Tax and Revenue Management System (TaRMS) and the Fiscalisation Data Management System (FDMS).

Public awareness was further boosted through articles, public notices, radio programs, television broadcasts, social media campaigns, jingles, billboards, and roadshows, ensuring broad outreach in both urban and rural communities.



ZIMRA conducts a roadshow to educate the public on tax obligations, services, and the importance of voluntary compliance in national development.

Through these initiatives, ZIMRA enhanced transparency, built taxpayer confidence and fostered a cooperative compliance environment aligned to national development goals.

Taxpayer Education	Quantity
Taxpayer Education Workshops	539
Stakeholder Engagements	435
Taxman's Articles and Public Notices	73

### Stakeholder Engagement and Feedback

In 2025, ZIMRA enhanced stakeholder engagement to strengthen relationships with taxpayers and promote compliance. Key initiatives included strategic events and media relations to boost brand visibility and public trust.

A standout event was the **ZIMRA Taxpayer Appreciation Awards**, which celebrated voluntary compliance and highlighted the connection between tax revenue and national development.

Participation in major exhibitions such as the **Zimbabwe International Trade Fair** and **Harare Agriculture Show** provided opportunities for regional and national engagement. Breakfast meetings fostered dialogue, enhancing transparency and ZIMRA's institutional image.

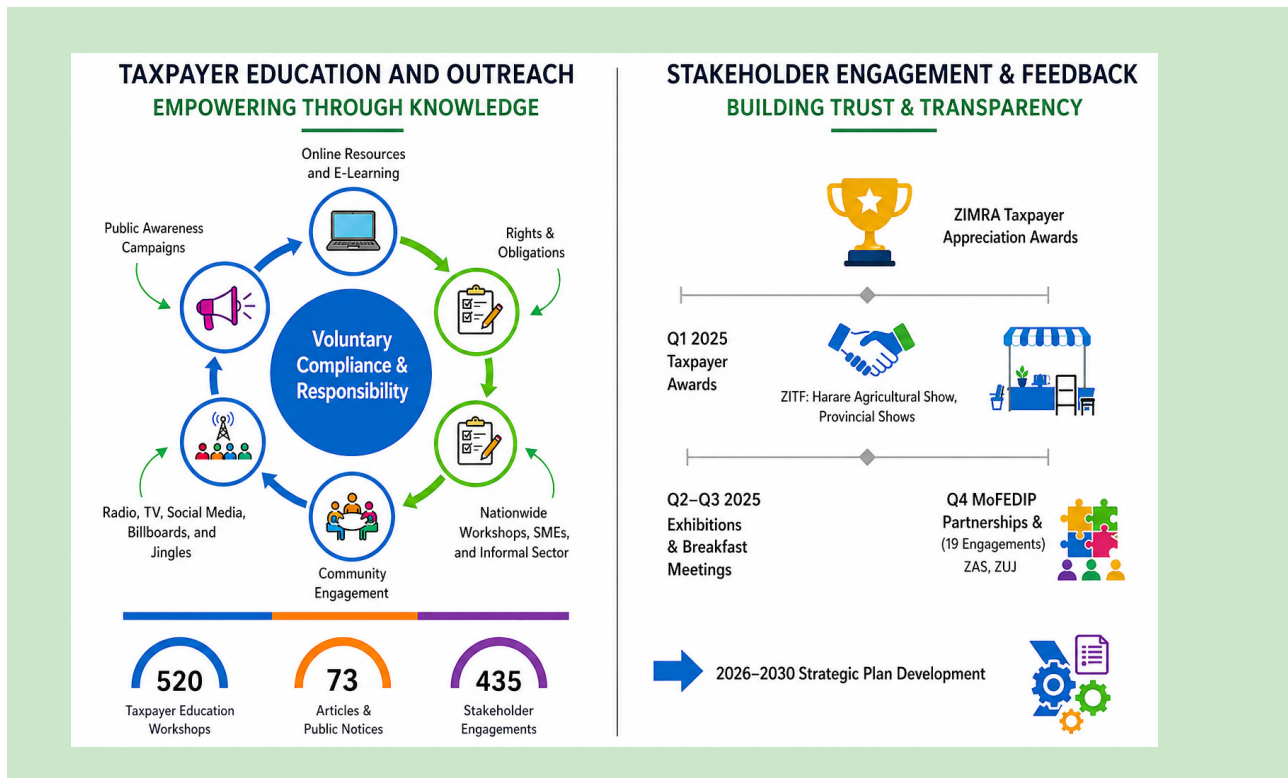
To encourage compliance, ZIMRA partnered with radio and media houses to educate the public about tax obligations in multiple languages, increasing understanding of tax laws.

Strategic sponsorships with organisations such as the **Zimbabwe Agricultural Society (ZAS)** and collaborations with the **Zimbabwe Union of Journalists (ZUJ)** amplified ZIMRA's visibility and promoted tax education.

The "MyTaxWorks" campaign, in partnership with MoFEDIP, involved 19 engagements across the country to educate communities on their tax responsibilities.

Additionally, stakeholder engagements helped shape ZIMRA's **2026-2030 Strategic Plan**, focusing on a modern, data-driven service delivery approach.

These initiatives collectively fostered a more engaged and compliant taxpayer base.



**TAXPAYER SERVICES**

As part of ZIMRA's journey to improve and modernise the tax system, focus remained on enhancing compliance through process optimisation. To this end, the Authority implemented the following initiatives:

**Contact Centre**

The ZIMRA Contact Centre successfully handled 107,815 interactions, reinforcing its essential role in service delivery. The Centre transformed into a multi-platform engagement hub, reflecting increased client confidence in digital services, aligned to ZIMRA's digital transformation strategy. The Centre, extended operating hours from 6:00 a.m. to 10:00 p.m. allowed approximately 20% of interactions to occur during these times, indicating strong demand for after-hours support.

Overall, the Contact Centre continues to enhance compliance support and improve client experiences through accessible and responsive service channels.

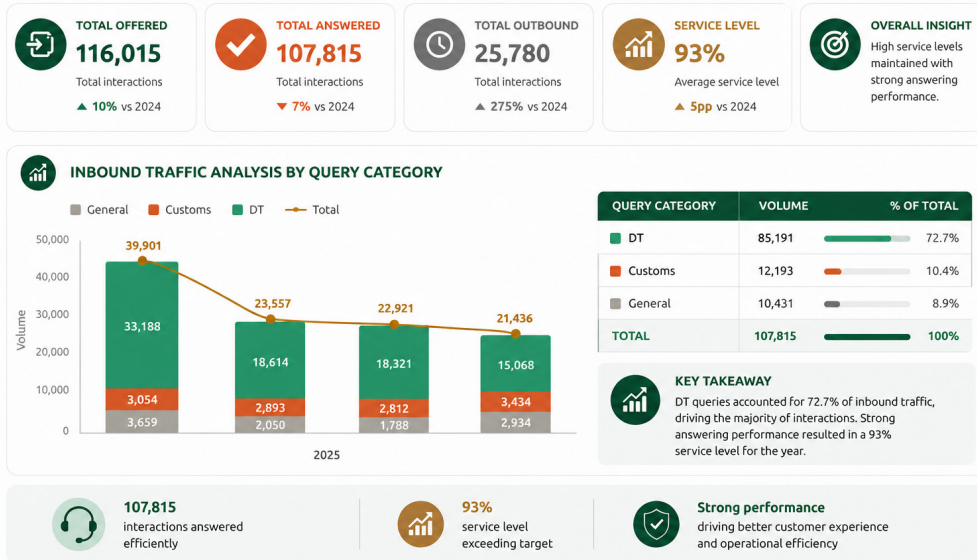
## TRAFFIC VOLUME HANDLED BY CHANNEL

Overview of interaction volumes across all communication channels in 2025



## ANNUAL TRAFFIC ANALYSIS

Overview of traffic performance and inbound query analysis for 2025



### Social and Digital Engagement

In 2025, ZIMRA enhanced its digital engagement strategy, focusing on taxpayer education through interactive social media activities. A standout initiative was the Facebook livestream series, which facilitated direct interaction with clients on customs processes, tax compliance, and policy updates, allowing real-time questions and clarifications by ZIMRA officers.

The Authority intensified its posting schedule across social media to engage continuously with taxpayers, particularly targeting younger audiences and entrepreneurs. By sharing simplified educational content and deadline reminders,

the Authority strengthened its relevance as a modern revenue administrator. This ongoing online presence led to increased digital inquiries, improved taxpayer awareness, and a broader reach beyond traditional communication channels.

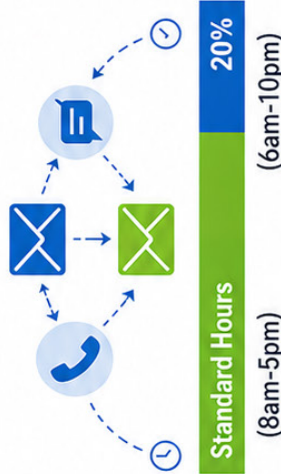
### Self-Service Kiosks

To improve service accessibility, additional self-service kiosks were established in strategic locations. These kiosks enable taxpayers to access services, submit returns and obtain guidance without the need to travel to major offices.

### Contact Centre: Multi-Platform Hub



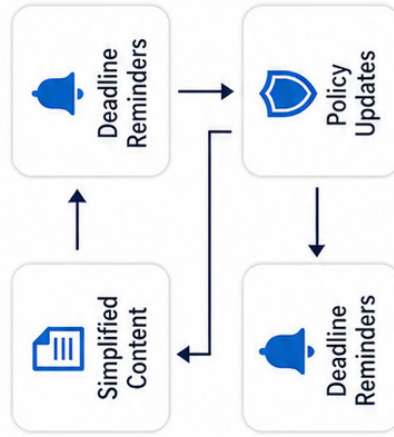
#### Diversified Channels



- Extended Hours
- Enhanced Accessibility Remote Service Confidence

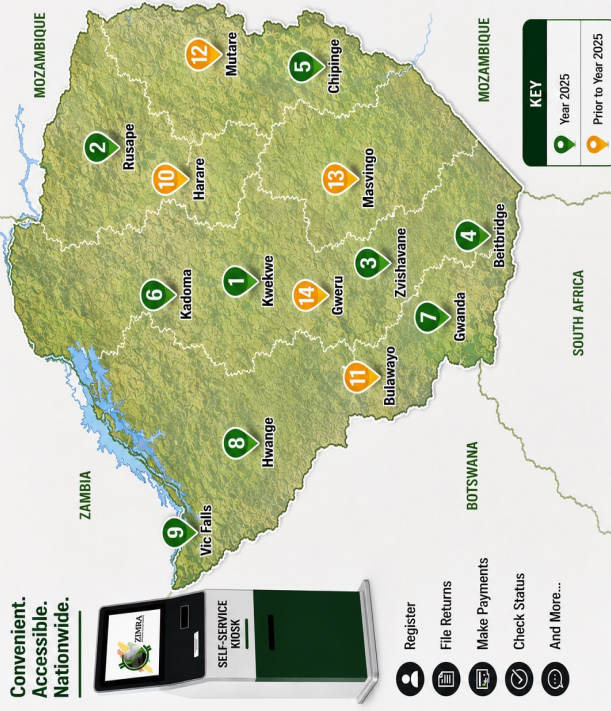
### Social Media & Digital Education

**LIVE** Tax Compliance Q&A



- Facebook
- Twitter
- Targeting Youth & Entrepreneurs

### Self-Service Kiosks: Expanding National Reach



Building a Smarter, More Accessible Zimbabwe

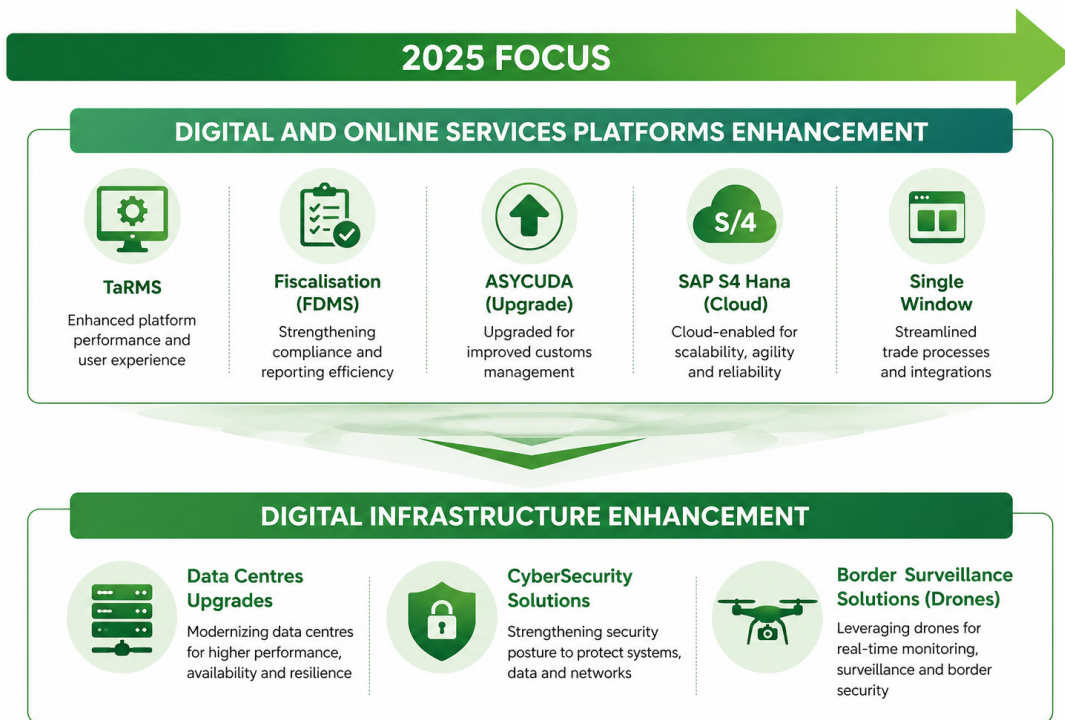
More Locations.  
More Convenience.  
More Value for You.

## DIGITAL TRANSFORMATION (INNOVATIONS)

### ZIMRA Digital Platforms & Infrastructure Enhancement

The Authority’s digitalisation agenda was primarily focused on implementing, completing, and optimising key core systems. Significant progress was achieved on strategic platforms, including the Tax and Revenue Management System (TaRMS), the Fiscalisation Data Management System (FDMS), ASYCUDA upgrade (ERP SAP S/4HANA), Border Surveillance Drones, and the Zimbabwe Electronic Single Window (ZeSW).

In parallel, sustained investment was directed towards strengthening the supporting digital infrastructure. This included comprehensive Data Centre upgrades and enhancements to cybersecurity solutions to improve system resilience, data protection, and operational continuity. These initiatives collectively underpinned the Authority’s commitment to modernisation, efficiency, transparency, and enhanced service delivery.



### Tax and Revenue Management System (TaRMS)

TaRMS was officially commissioned on 18 August 2025 by the Deputy Minister of Finance, Economic Development and Investment Promotion, Honourable D.K. Mngangwa. The system has been integrated with key institutions, including the Registrar of Companies, the Deeds and Intellectual Property Office, and the Department of Civil Registry, enhancing the accuracy and integrity of registration data.


## Major Digitilisation Projects



FOCUS AREAS FOR 2025

# Impact of Business Digital Solutions

## 01 Tax and Revenue Management System (TaRMS)



**Revenue Performance Strengthened:** TaRMS drove a 64% increase in domestic revenue from 2022 (pre-implementation) to 2025, significantly enhancing domestic resource mobilisation.

**Tax Base Expanded:** Taxpayer registrations increased by 23.71%, broadening the revenue base and improving compliance coverage.


**Filing Compliance Improved:** Return filing rates increased from 51.85% to 70.56%, reflecting stronger taxpayer compliance and system efficiency.

**Service Delivery Modernised:** Automated issuance of ITF-263 Tax Clearance Certificates and 100% online submissions eliminated manual processing and improved taxpayer convenience.

**Transparency and Fraud Prevention Improved:** Integrated taxpayer validation and banking system integration reduced fraud risks and strengthened revenue remittances to Treasury.

**Audit Efficiency Increased:** 7,162 audit cases were completed by the end of 2025 through the system, improving compliance enforcement and revenue assurance.

## 02 Fiscal Data Management System (FDMS)




Prefilled VAT returns, input tax schedules, and credit/debit note fields are now automated and auto-populating, significantly reducing manual processing, improving data accuracy, and enhancing taxpayer convenience.

Efficient VAT refunds processing and Tax Audit execution using the FDMS system strengthened verification and validation of taxpayers' transactions, resulting in faster turnaround times, improved transparency, and reduced revenue leakages.

Fiscalisation compliance reached 81% of registered VAT taxpayers, while Large Clients Compliance rose to 99%, covering taxpayers contributing nearly 80% of total tax revenue. This significantly strengthened revenue assurance, improved real-time transaction monitoring, and enhanced protection of national revenue collections.

## 03 Border Surveillance Drones



The deployment of surveillance drones at Chirundu and Nyamapanda Border Posts from November, resulted in 45 seizures valued at US\$312,855.

318 seizures recorded at other Border Posts where drones had been deployed prior to 2025 resulted in seizures valued at US\$1,251,263.

## IT Governance Framework Implementation (COBIT 2019)

The Zimbabwe Revenue Authority formally implemented the COBIT® 2019 framework as its enterprise governance model for Information and Communication Technology (ICT). This milestone represents a significant step in strengthening transparency, accountability, risk management, and value creation across the Authority’s digital ecosystem.

The implementation was guided by the Governance of Enterprise IT at ZIMRA, which provided a comprehensive, evidence-based assessment of ICT governance maturity and a structured roadmap towards continuous improvement.

The completion of the COBIT 2019 design in 2025 marked a significant governance milestone for ZIMRA. The Authority now operates within a defined, structured and strategically aligned ICT governance framework. The 2026 Implementation Roadmap will transition this foundation into measurable optimisation, positioning ZIMRA to achieve Level 5 maturity by 2030 and reinforcing its commitment to transparency, resilience, innovation, and excellence in public service delivery.

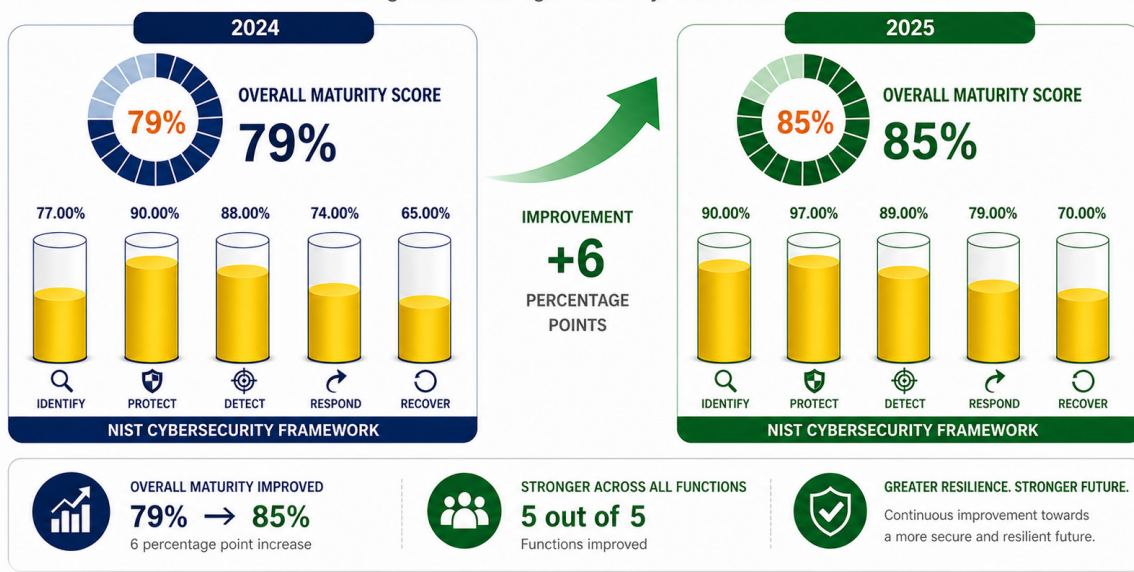
## ZIMRA Cybersecurity Resilience Posture

The Authority intensified its cybersecurity posture with a deliberate and strategic focus on strengthening its Detect, Respond and Recover capabilities in line with the NIST Cybersecurity Framework.

Targeted investments were directed towards advanced threat monitoring, enhanced endpoint protection, improved incident response coordination and real-time security visibility across critical systems. While the Identify and Recover functions remained stable and were not prioritised during the year under review, concentrated improvements in operational defence capabilities significantly elevated the Authority’s overall cybersecurity resilience. As a result, ZIMRA’s NIST maturity rating increased from 72% to 85%, successfully achieving the 2025 target. This milestone underscores the Authority’s commitment to safeguarding taxpayer data, strengthening cyber resilience and maintaining public confidence in its digital platforms.

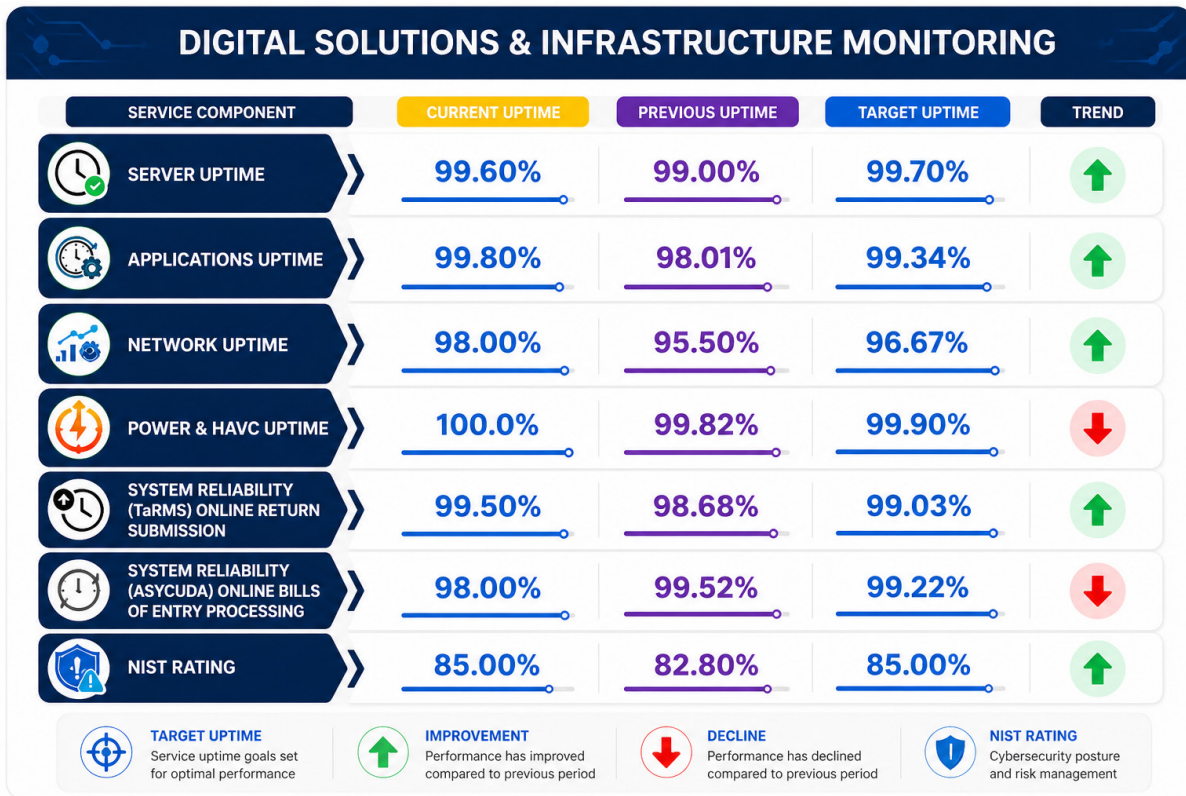
## CYBERSECURITY MATURITY IMPROVEMENT

Stronger Controls. Higher Maturity. Greater Resilience.



## Digital Solutions & Infrastructure Monitoring

The figure below presents a summary of ZIMRA's Digital Solutions and Infrastructure Monitoring performance for the year ended 2025, highlighting the Authority's commitment to maintaining resilient, secure, and highly available digital platforms that support revenue administration and service delivery. Overall system performance remained strong, with server, application, and network uptime consistently maintained above 96%, while key platforms such as TaRMS and ASYCUDA continued to demonstrate high operational reliability. The results reflect sustained investment in infrastructure management.

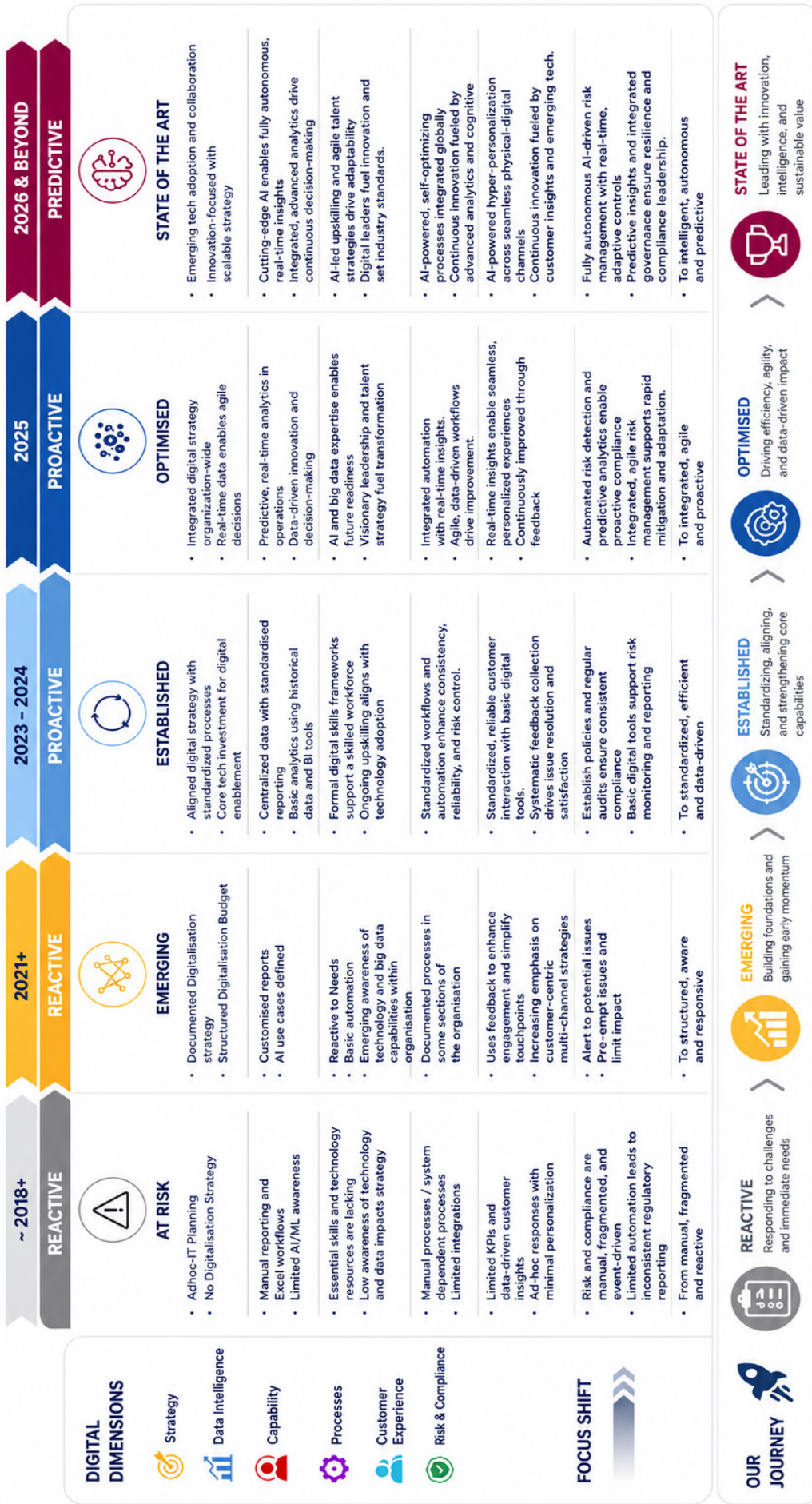


## ZIMRA Digital Maturity Journey

The Authority's phased progression from foundational digitisation towards a predictive, innovation-driven digital organisation. The roadmap highlights continuous improvements in strategy, data intelligence, capabilities, processes, customer experience and risk management. By year end, ZIMRA was positioned at the Innovative stage, reflecting the adoption of organisation-wide digital strategies, stronger use of data and analytics in decision-making, and growing digital capabilities that support enhanced service delivery and compliance management. It is hoped that the organisation will transition into State-of-the-Art phase in the next planning cycle.

# DIGITAL MATURITY ROADMAP

From Reactive to Predictive Excellence



## STRATEGIC OUTCOME 2: INCREASED VOLUNTARY COMPLIANCE

ZIMRA's compliance and enforcement framework played a pivotal role in upholding the integrity of the self-assessment tax system, ensuring that taxpayers fulfilled their legal obligations while safeguarding government revenue. The Authority maintained a balanced approach, prioritising taxpayer education and voluntary compliance as the foundation of its compliance strategy, with enforcement measures serving as a robust deterrence tool against non-compliance and tax evasion. Compliance and enforcement efforts focused on plugging revenue leakages, improving revenue collection and debt management. Major strategies implemented included investigations, audits, and implementation of the Block Management system.

### Compliance Pyramid

The compliance pyramid outlines the framework through which compliance (smart investigations and audits) is enforced. At its base sit taxpayers who are willing to meet their obligations voluntarily, and these individuals or entities receive support and assistance from the Authority. Those who choose not to comply, however, are positioned at the top of the pyramid, where they become subject to investigation and audit; where warranted, are prosecuted. Beyond serving as an enforcement tool, the compliance pyramid is also designed to promote a culture of voluntary compliance while fostering ongoing engagement between taxpayers and the Authority.

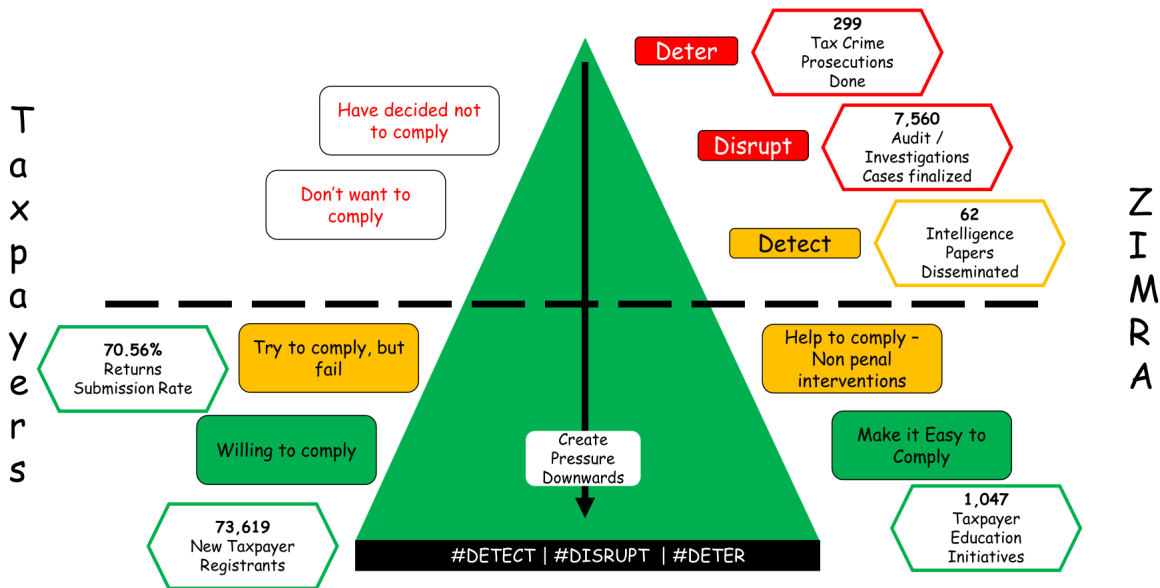


Figure: Compliance Pyramid

### Data Driven Intelligence

Data driven Intelligence (Smart Investigations) serve as a foundational element for audits and investigations conducted within the Authority. ZIMRA leveraged on the use of data analytics for intelligence gathered and shared. A total of sixty-two (62) intelligence reports were generated and shared with Revenue Assurance, Domestic Taxes, and Customs & Excise Divisions. The resulting insights from data analytics supported ZIMRA in refining guidance, addressing compliance gaps, and streamlining taxpayer processes, serving as one of ZIMRA's risk management engines.

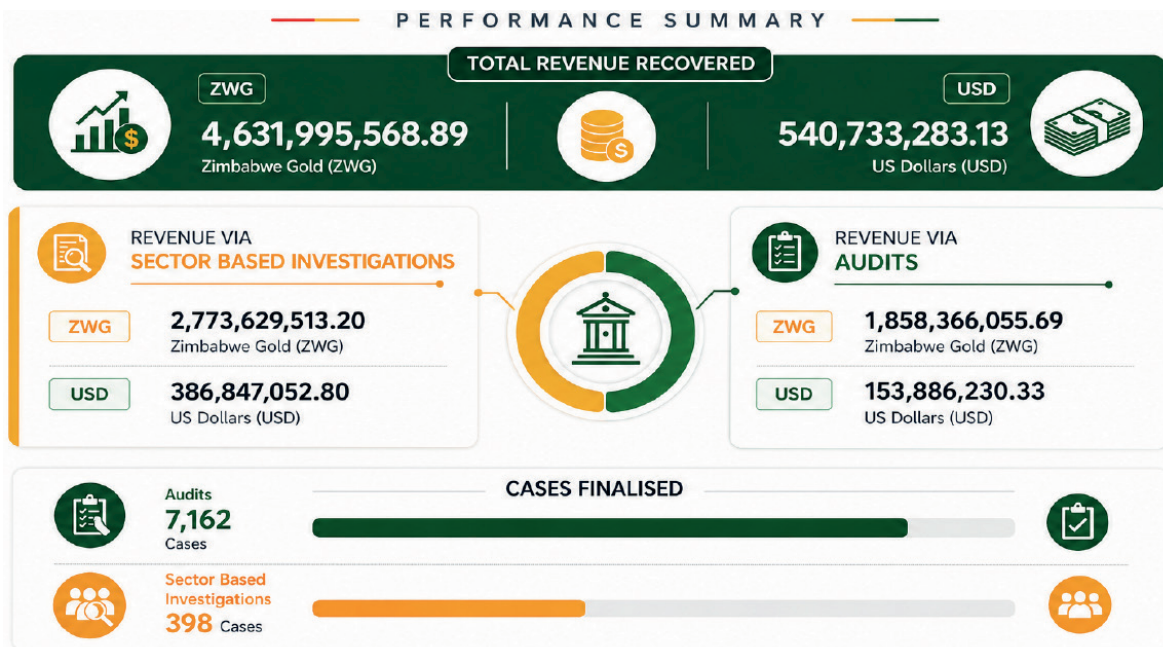
## Prosecutions

Prosecutions are a deterrence tool used to plug revenue leakages. The prosecutions signal a message to discourage tax offenders against non-compliance. A total of two hundred and ninety-nine (299) offenders were successfully prosecuted after investigations and audits, demonstrating the Authority’s thrust to fight tax evasion.

## Sector Based Investigations and Audits

The use of data analytics, sector-based business intelligence and systems review resulted in data driven intelligence being used for smart audits and investigations. The implementation of the strategies Detect, Disrupt, Deter have helped ZIMRA plug revenue leakages in the hidden economy. The figure below shows Investigation and Audits Yield;

# Revenue Recovery from Investigations and Audits



## Tax Disputes Resolution

ZIMRA is open to objections and appeals in a **formal, legally structured way**, balancing taxpayer rights with the need to maintain compliance. Dialogue and education are encouraged, but taxpayers must follow proper procedures and timelines are to be considered.

The table below summarises dispute resolution in 2025.

	RECEIVED	FINALISED
Objections	155	143
Advanced Tax Ruling (ATR)	5	4
Appeals	38	27
<b>Total</b>	<b>198</b>	<b>174</b>

The figures indicate a high resolution rate of 88%, meaning most cases lodged in 2025 were handled within the year. This is an indication that the dispute resolution system is largely efficient.

## Whistleblowing

ZIMRA received credible intelligence on tax evasion and corrupt practices from responsible members of the public. A total of 215 cases were received during the year. Of these, 135 were substantive and actionable, yielding a success rate of 62.7%. The 37.3% were unactionable owing to insufficient information and others being general enquiries brought on the wrong platform.

The actionable reports spanned material compliance risk areas including non fiscalisation, smuggling, related party transactions not at arm’s length, payments to directors without accounting for PAYE, under reporting of number of employees for tax purposes and parallel invoicing. These findings affirm the continued strategic value of the Whistleblower Programme as a frontline intelligence mechanism for the organisation.

The disclosures were submitted through ZIMRA’s multiple reporting channels, including the dedicated whistleblowing email facility, in-person submissions, telephone reports, the online whistleblowing portal, and other digital platforms.

### ZIMRA WHISTLEBLOWER FACILITY

**Website**  
<https://whistleblower.zimra.co.zw/>

**Phone**  
 +263-242-774482 / 771883

**Email**  
[whistleblowing@zimra.co.zw](mailto:whistleblowing@zimra.co.zw)

**Physical Address**  
 Head Office, ZB Centre,  
 Cnr First & Kwame Nkrumah, Harare

**2025 Received Information**  
 215 cases reported

**Informant Protection**  
 Preserved confidentiality & Anonymity

### Whistleblower Facility

The whistleblower cases are managed from one central office, and by Officers bound by the Oaths of Secrecy. Robust safeguards are maintained to protect the identity of informants, with enhanced reliance on non-contact reporting mechanisms to preserve confidentiality and anonymity.

## Registration, Payment and Filing Compliance

### Registration

ZIMRA focused on broadening its taxpayer base through multiple strategies such as mandatory registration, digital platforms, outreach and education and accessibility whereby self-service kiosks were placed in strategic locations to help reach rural and underserved taxpayers. This resulted in **73,619** new taxpayers being registered as compared to **66,210** registered in 2024 which translated to a **11.19%** increase. A total of **ZWG618.76** million was realised. Notably, collections from new registrations significantly exceeded set targets, underscoring that the growth achieved was driven by enhanced

quality of the taxpayer base and improved compliance behaviour, rather than merely an expansion in registration volumes.

The Table below compares revenue collected from new registrations for the period 2024 and 2025.

Year	Registration Target	Actual Registrations	Total Collections in ZWG	Collection Target ZWG
2024	36,240	66,210	190,381,987.48	107,173,282.00
2025	100,000	73,619	618,757,008.84	119,317,196.37

### Filing Compliance

Filing is a critical step in tax compliance, connecting registration, payment, and enforcement while supporting revenue collection and voluntary compliance. The total number of returns received for the year was **1,065,250**, which fell short of the target of **1,509,631** resulting in a submission rate of **70.56%**.

However, of the total returns received, **488,478** were filed on time resulting in a compliance rate of **32.36%**. This represents an improvement compared to the **26.31%** compliance rate in 2024. The Authority implemented TaRMS which minimised filing challenges.

### Remittances

ZIMRA remittances are the actual payment of taxes after filing returns, essential for sustaining revenue collection, maintaining compliance, and avoiding penalties. In 2025, total remittances received were 867,946, which was lower than the expected remittances of 1,509,631. This resulted in a remittance rate of 57.49%, down from 75.44% in 2024.



**Contact centre**  
Get in touch with our contact centre on any platform from wherever you are.

Toll free 585  
+263 782 729 862  
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Get in touch with us on our contact centre  
Toll free number 585/ for NetOne 080 10271  
WhatsApp 0782 729 862  
Email contactcentre@zimra.co.zw

**we are here to serve**

www.zimra.co.zw

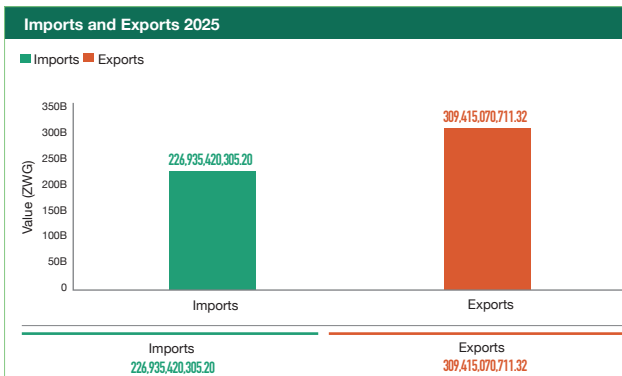
## STRATEGIC OUTCOME 3: ENHANCED TRADE FACILITATION AND PROTECTION OF CIVIL SOCIETY

ZIMRA plays a vital role in trade facilitation and civil protection by ensuring the swift movement of legitimate cargo across borders while maintaining public safety. The Authority implemented customs reforms and modernisation to enhance border efficiency, strengthen enforcement, safeguard revenue and improve the investment climate.

### TRADE FACILITATION AND BORDER MANAGEMENT

#### Trade Statistics: Terms of Trade

Imports for the year were **ZWG226,935,420,305.20** while exports were **ZWG309,415,070,711.32** representing a favourable trade surplus of **ZWG82,479,650,406.12**.



#### Border Post Operating Hours and Traffic Flow

A total of **530,306** Bills of Entry (F21) were processed out of **533,821** registered entries achieving a processing rate of **99.34%**. Efficiency gains were evident, with the average turnaround time for clean entries reduced to 2 hours 17 minutes, down from 2 hours 32 minutes in the prior year. Efforts to enhance trade facilitation were strengthened by the extension of 24 hour operations at Victoria Falls, complementing Beitbridge and Forbes Border Posts.

The efficiency at Beira Port, reliable road networks, and reduced security risks resulted in increased traffic volumes at Forbes Border Post surpassing Beitbridge in outbound traffic flows. However, infrastructure constraints particularly the single-lane bridge on the Mozambican side remain a critical challenge. Looking ahead, investment in upgraded border infrastructure will be essential to sustain growth and efficiency. Despite these shifts, Beitbridge remains the busiest border post for inbound traffic reaffirming its central role in regional trade.

#### Trading Partners

### TOP 10 TRADING PARTNERS IMPORTS AND EXPORTS



#### IMPORTS

Rank	Country	Code	Percentage Contribution (%)
1	Hong Kong	HK	30.09%
2	South Africa	ZA	27.83%
3	China	CN	14.69%
4	Mauritius	MU	3.37%
5	India	IN	2.37%
6	Zambia	ZM	2.26%
7	United Arab Emirates	AE	1.97%
8	Argentina	AR	1.73%
9	Mozambique	MZ	1.55%
10	United States	US	1.49%



#### EXPORTS

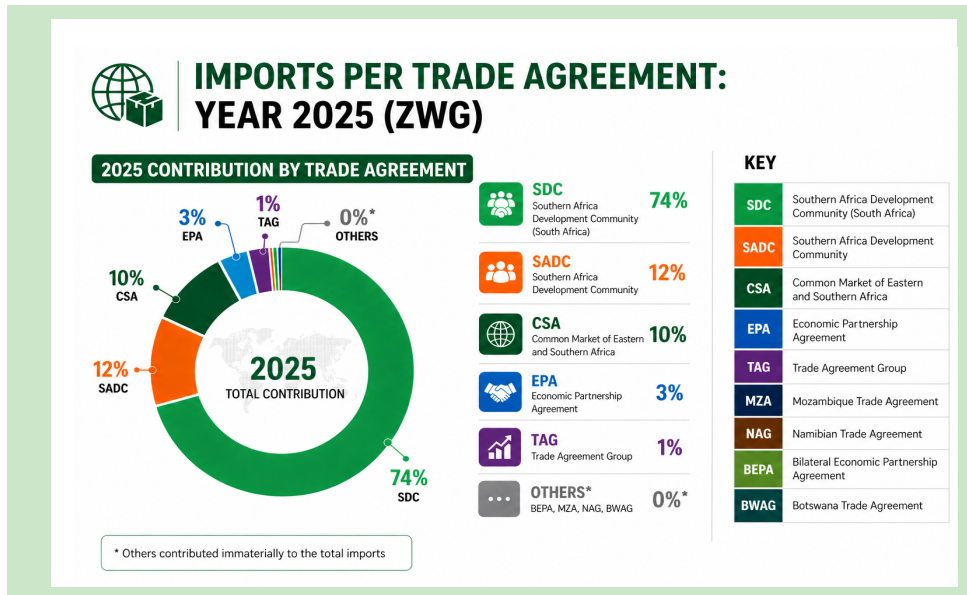
Rank	Country	Code	Percentage Contribution (%)
1	United Arab Emirates	AE	41.95%
2	South Africa	ZA	21.16%
3	China	CN	16.27%
4	Great Britain	GB	8.46%
5	United States	US	2.29%
6	Belgium	BE	1.36%
7	Zambia	ZM	1.08%
8	Indonesia	IN	0.95%
9	Mozambique	MZ	0.82%
10	Netherland	NL	0.66%

*i* Percentages represent each country's share of total imports or exports.

### Imports Per Trade Agreement In Local Currency

Imports under trade agreements were ZWG30,39 million with the SDC (South Africa) Trade Agreement commanding the bulk of the imports..

### Imports Per Trade Agreement: Year 2025(ZWG)



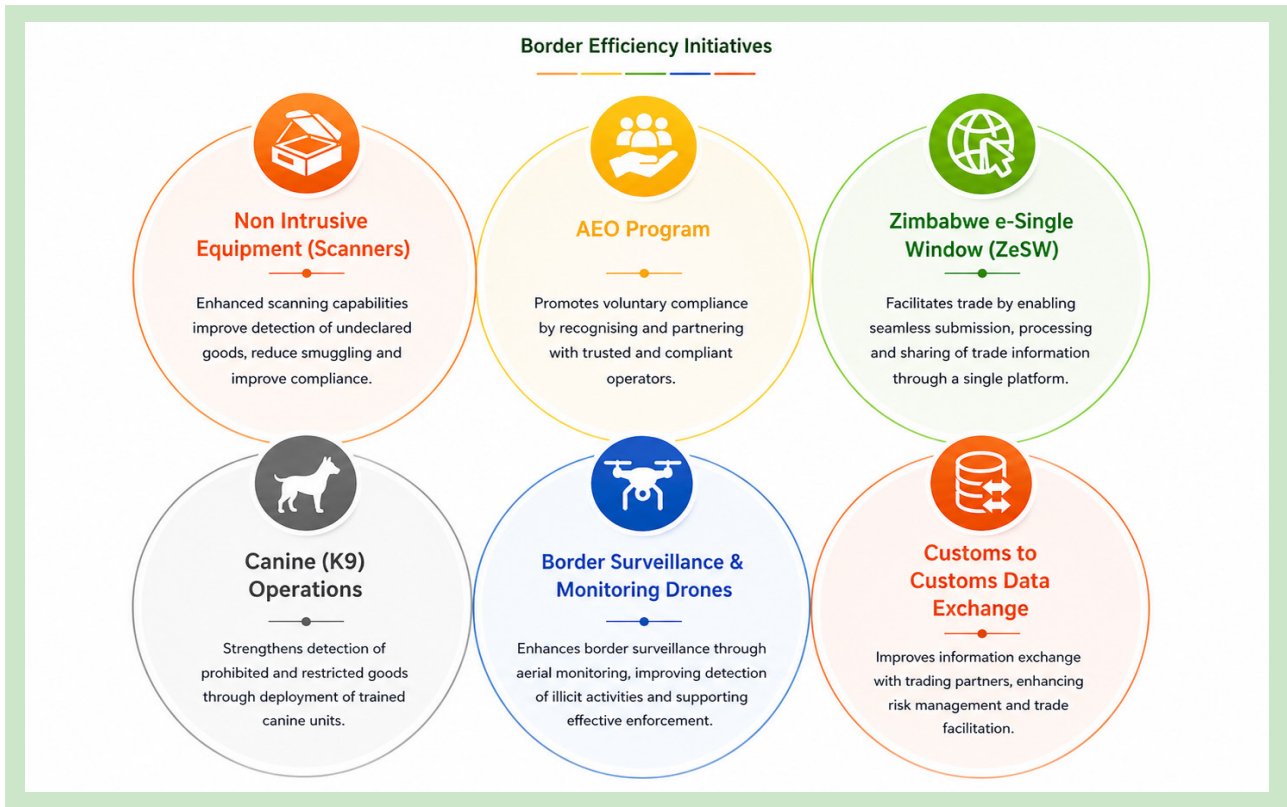
### Imports Per Trade Agreement In Forex

Imports under trade agreements were **US\$989,793,853.24** and most imports were under the SDC (South Africa) trade agreement.

### Imports Per Trade Agreement: Year 2025 (USD)



## BORDER EFFICIENCY INITIATIVES



### Zimbabwe Electronic Single Window (ZeSW)

The Single Window facility allows parties involved in trade and transport to lodge standardized information and documents electronically with a single-entry point to fulfill all import, export, and transit related regulatory requirements. The trade facilitation platform was further enhanced, with the addition of the Port Health Authority and the Radiation Protection Authority of Zimbabwe (RPAZ). Further collaborations are at an advanced stage of implementation with Ozone Depleting Substances under the Ministry of Environment, Climate and Wildlife, Forestry Commission and Tobacco Industry & Marketing Board (TIMB). Engagements are currently ongoing with other key Ministries, Departments and Agencies that include Ministry of Lands, Water, Fisheries and Rural Development and the Ministry of Mines and Mining Developments.

On the regional platform, implementation of the Zimbabwe Electronic Single Window (ZeSW) progressed steadily culminating in the successful development and launch of the COMESA e-Certificate of Origin platform. This is pursuant to agreements made at regional level under COMESA towards the use of standard and unit form procedures for exporter registration and promoting the use of technology and system-based processes. This initiative improves the ease at which member states can exchange related data and facilitate trade.

### Transparency and Access to Trade Information

The Authority’s drive to enhance predictability and transparency in duty payment was enhanced by the continued use of the e-tariff tool and e-tariff book which were successfully launched in 2024. This has strengthened overall compliance for importing and exporting clients.

### Border Post Modernisation

The efficiencies brought about by the Beitbridge Border Post modernisation led to the commencement of preliminary work to upgrade Forbes Border Post in 2025. This marked the continuation of the modernisation agenda and reinforcing the Authority’s commitment to streamlined technology-driven border management.



*Aerial overview of the Beitbridge Border Post and the Freight Warehouse*

**Regional Cooperation and Cross Border Data Exchange**

The data exchange initiative on Cross Border Clearance facilitates paperless transactions for imports, transit and export declarations, improving customs clearance efficiency and enhancing compliance levels. The initiative culminated in the implementation of the ZIMRA/Zambia Revenue Authority (ZRA) system integration on declaration data interchange. Current engagements with peer Revenue Administrations in Mozambique, Malawi and South Africa are expanding this cooperation to strengthen Customs-to-Customs information sharing, thereby enhancing regional collaborations and facilitating smoother trade flows.

**Authorized Economic Operator (AEO) Programme**

The Authorized Economic Operator (AEO) programme has advanced steadily, evolving into a cornerstone of Zimbabwe’s trade facilitation agenda. Starting with twelve accredited operators in 2021, the programme grew to twenty-four by the

end of 2025, driven by targeted outreach to mining companies, trusted transporters, and compliant taxpayers. This expansion reflects increasing confidence in the programme and its benefits, including expedited clearance processes and reduced physical examinations.

Through continued engagement with the Zambia Revenue Authority and the South African Revenue Service to establish Mutual Recognition Arrangements (MRAs), as well as planned collaboration with India Customs, the AEO programme is strengthening its regional and global reach. These efforts will help ensure consistent, value-adding benefits for accredited traders across participating jurisdictions.

**COMBATING SMUGGLING**

Intensified enforcement measures against smuggling goods and safeguarding revenue through physical examinations, roadblocks, use of drones and non-intrusive inspection equipment resulted in generation of additional revenue.

**Physical Inspections**

Physical inspections continued to play a pivotal role in ZIMRA’s enforcement framework. At the Chirundu One Stop Border Post (OSBP), enforcement officers seized **1.791 kilograms** of gold valued at **USD202,893** from a foreign national attempting illegal export. This case illustrates the strategic importance of inspections in curbing smuggling activities and reinforcing adherence to trade and customs laws.

The picture illustrates the results of physical examinations at Chirundu OSBP.



*Tanker trailer declared as empty yet carrying 1,470boxes of milk, 406boxes milk- it drinks, 90 cases brothers soft drink, 100boxes Bisto soup, 40 cases Power drink and 11 boxes cigarette lighters*

## Coordinated Border Management

The Authority collaborated with other law enforcement agents and border stakeholders in joint inspections under the Anti-Smuggling Project initiated in 2024. The project has continued to deliver tangible results with respect to safeguarding revenue and protecting legitimate trade. The initiative recorded 299 Notices of Seizure and 419 Receipts for Items Held. Most detained goods comprised alcoholic beverages, clothing, washing powder and other groceries. Since its launch in 2024, cumulative collections have reached **ZWG202,96 million and USD1,19 million**, and the total duty of goods under detention/seizure amounted to **ZWG97,11 million and USD2,25 million** underscoring its growing impact in curbing illicit trade, disrupting smuggling networks, strengthening compliance and protecting legitimate businesses.



*Truck intercepted after having crossed through undesignated entry points along the Shashe River-Borderline with Botswana [Plumtree area] carrying goods with prejudice to revenue of **USD\$7,706.58 and ZWG1, 389,399.80.***

## Border Surveillance and Monitoring

ZIMRA's border surveillance and monitoring drone programme was significantly expanded in 2025, reinforcing enforcement against smuggling and illicit trade. Initially deployed at Beitbridge, Plumtree and Forbes, coverage was extended to Chirundu and Nyamapanda Border Posts. To enhance coordination and operational oversight, the Surveillance and Monitoring Command Centre at Head Office became fully operational, enabling real-time monitoring of drone activities, CCTV systems, and biometric access control systems across all connected border posts. This has

strengthened intelligence gathering, improved situational awareness, and enhanced operational responsiveness.

A total of 368 drone-assisted interceptions were recorded, representing a 44% increase from 255 interceptions in 2024, reflecting the programme's expanded footprint and improved operational effectiveness. This performance was supported by enhanced network connectivity at Beitbridge, Plumtree, and Forbes Border Posts, which broadened surveillance coverage, as well as the acquisition of nine advanced drone battery sets that improved flight endurance and operational efficiency. The intercepted consignments included vehicles, medical supplies, household goods, tombstones, cement, clothing, footwear, alcohol, fuel, and other assorted goods. These achievements demonstrate the growing impact of technology-driven enforcement in securing revenue, strengthening border security, and promoting compliance.



*Drone Exhibition*



*Drone flying*

### Non-intrusive inspection Equipment (Scanner) Operations

Scanner operations generated **USD497,638 and ZWG28.77 million** in revenue collections. The high-risk cargo scan rate improved to **74%** from **65%** in 2024 with **149** seizures and **1,140** detentions being recorded. Notably, scanner activities at Robert Gabriel Mugabe International Airport led to the detection of **66.9 kgs** of cannabis concealed in baggage by two foreign nationals. These results highlight the growing importance of non-intrusive inspection technologies in enhancing compliance, securing revenue and deterring smuggling.



Non-Intrusive Equipment (Scanner) at Beitbridge Border Post

### Transit Facilitation

The Authority procured a total of 15,900 security seals comprising 4,900 master seals and 11,000 slave seals to support cargo monitoring and customs control operations. The procurement of these seals strengthened the integrity of the Transit Management System by enhancing cargo security, improving traceability, and reducing the risk of tampering and revenue leakages. This investment reflects the Authority’s continued commitment to trade facilitation, border security, and effective customs enforcement.

## PROTECTION OF CIVIL SOCIETY

### Canine (K9) Operations

Intensified deployment of the K9 Unit strengthened enforcement against illicit trade in banned, harmful, and illegal goods, thereby safeguarding civil society. K9 operations recorded **138** detections, up from **118** in 2024, with seizures including pharmaceuticals, cannabis, alcohol and skin-lightening creams valued at **USD2.03 million**.



175.2 kgs of Dagga with a street value of USD12,264.91 found in Malayitsha vehicle in all sorts of packages at Malume Zone - Beitbridge.



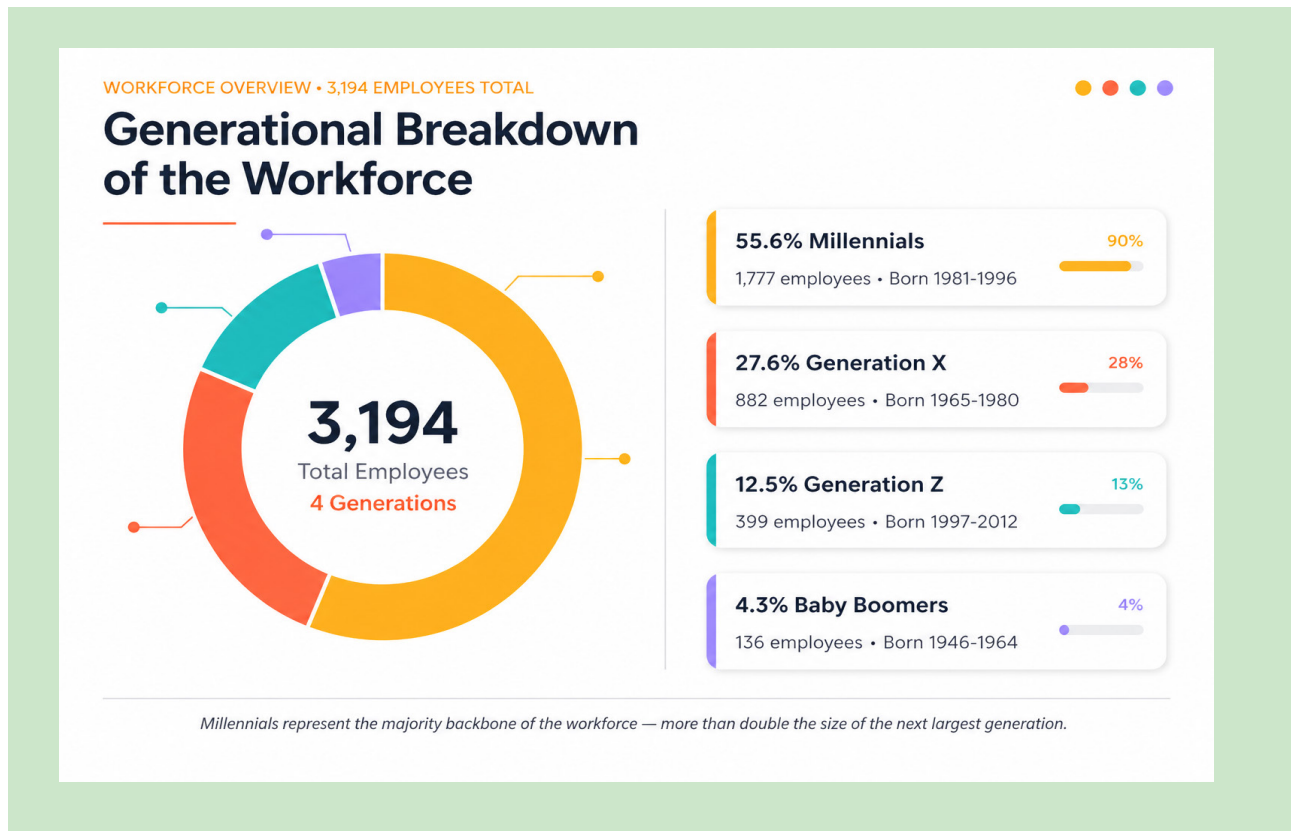
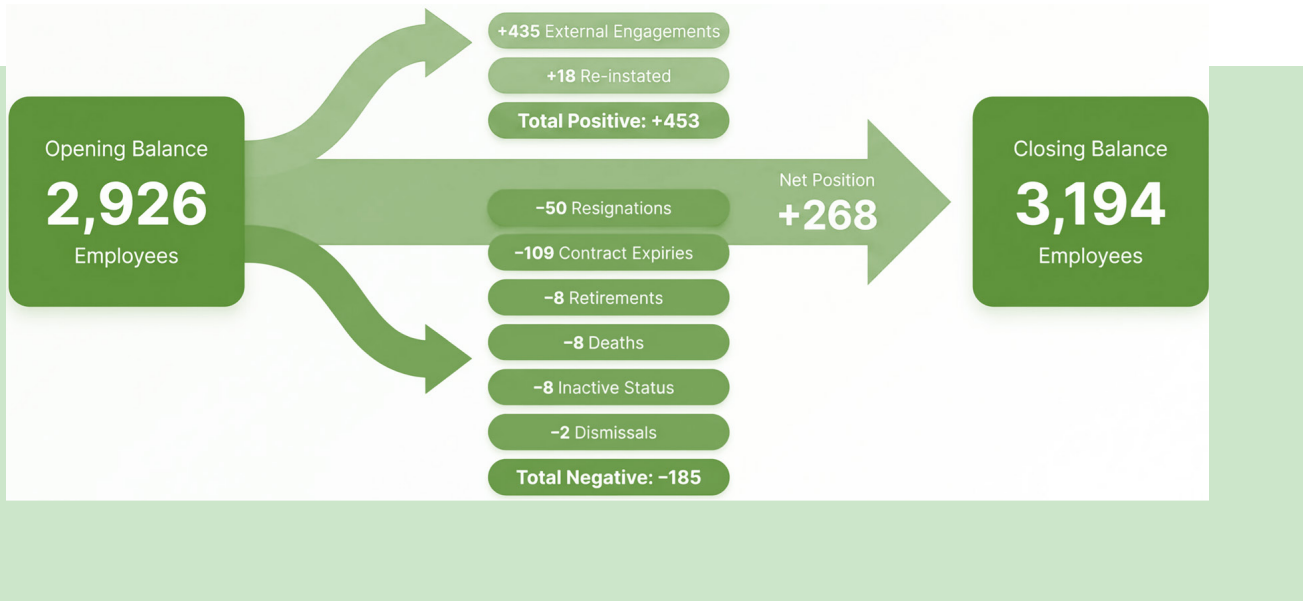
Falsely declared that the vehicle was ferrying a corpse yet smuggling cough syrup

## STRATEGIC OUTCOME 4: STRENGTHENED INSTITUTIONAL IMAGE

### STAFF CAPACITATION

#### Workforce Overview

The Authority’s total workforce at year-end stood at 3,194 comprising 2,781 substantive employees, 119 secondments from collaborative government departments, 7 attachés and 287 Graduate Trainees. The figure below shows ZIMRA staff movements during the year 2025.



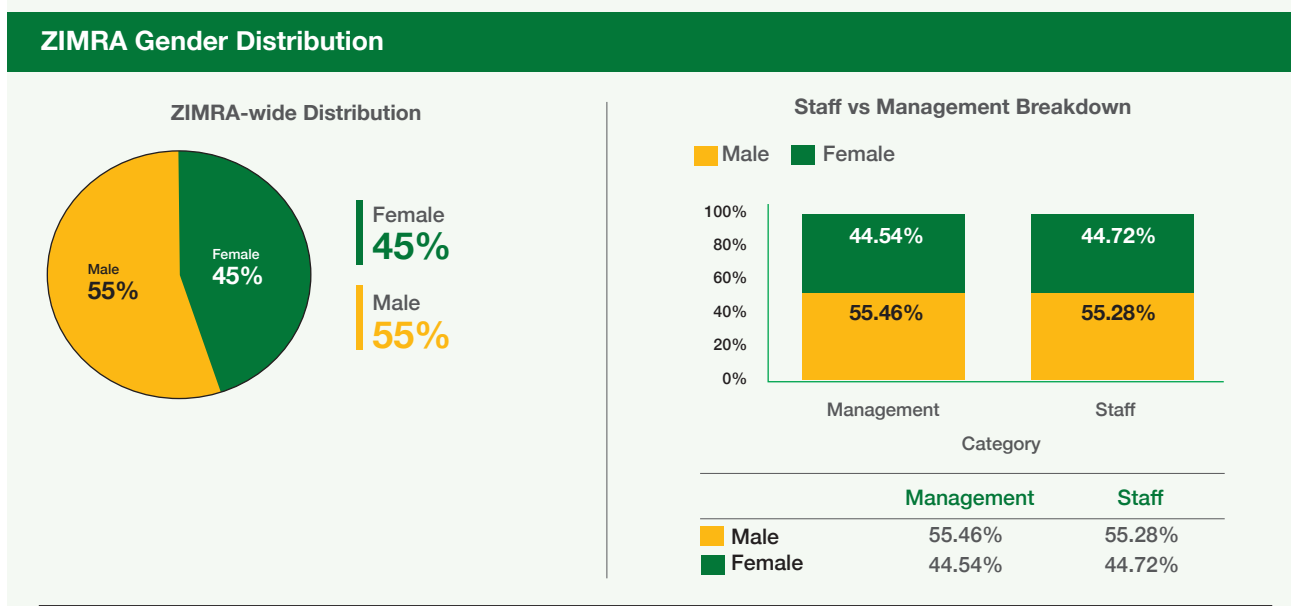


## Turnover and Stability

An overall turnover rate of 2.31% was recorded, remaining well below the 5% sustainability benchmark, thereby reflecting workforce stability and supporting operational continuity. Separations were predominantly voluntary, largely influenced by migration and overseas study opportunities, indicating external labour market pull factors.

The Authority continues to monitor attrition trends, particularly the potential loss of critical skills. To strengthen retention and reinforce a high-performance culture, the Authority implemented targeted recognition initiatives, including the Exceptional Performance Awards (EPA), designed to enhance employee engagement and retain high-performing talent.

## Representation and Talent Pipeline



The Authority’s workforce shows a moderate gender imbalance, with males comprising 55% of total staff and females 45%. This pattern is reflected at management level, where men hold 55.5% of positions compared to 44.5% for women, indicating a modest gap in management representation.

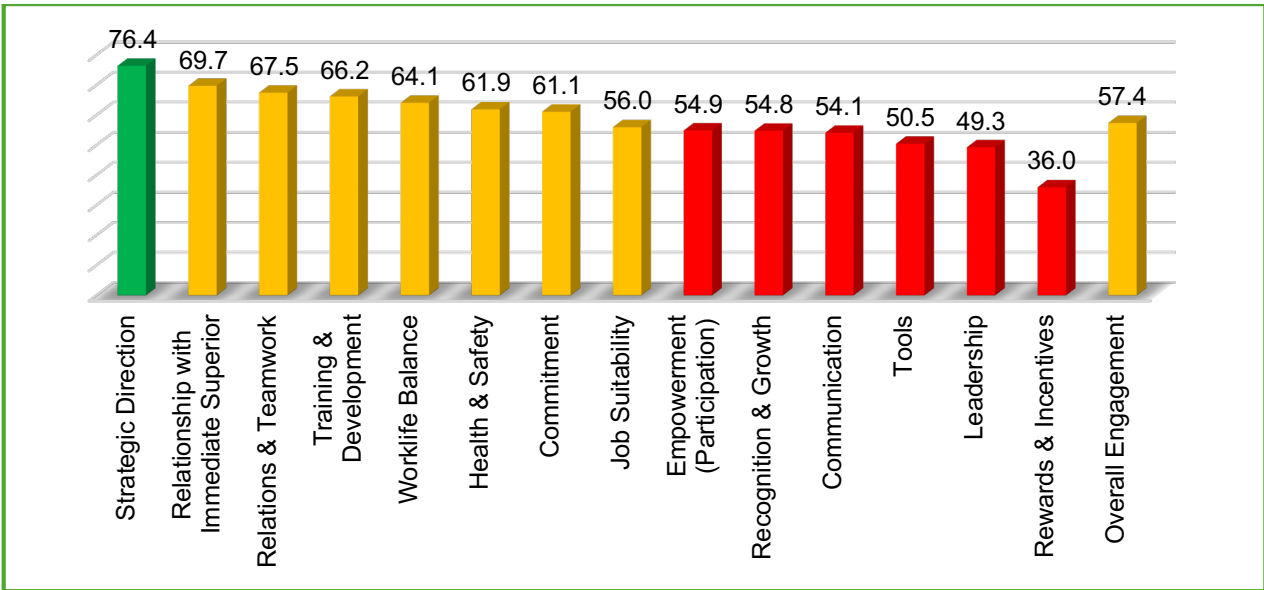
These disparities highlight the need for sustained talent management and leadership development, particularly within the Supervisor-to-Middle Manager pipeline, to strengthen future leadership diversity. The Authority is addressing this through equitable development initiatives, including the Graduate Trainee Programme, which serves as a strategic pathway for building a more gender-balanced leadership cadre.

## Training & Development Performance Highlights

The Authority’s Talent and Organisational Development initiatives exceeded planned training and development targets, delivering 479 training sessions and generating 198,713 learning hours. Local and foreign based trainings were utilised and covered technical areas, Data Analytics, Leadership Training among others. Participation was inclusive, with women accounting for 52% of attendees while for foreign training, they accounted for 45%. The CLiKC Learning Management System was further strengthened, with 45 modules developed during the year, bringing the cumulative total to 63 since 2024.

The Graduate Trainee Programme progressed as planned, supporting the Authority’s long-term capacity development. Overall, the year reflects strong delivery, measurable cultural progress and continued investment in institutional capability.

**Culture Change and Employee Engagement**



Employee engagement levels during the period reflected a progressively strengthening organisational climate, indicative of improving employee sentiment, alignment and workplace experience. The observed patterns suggest that ongoing culture transformation initiatives are gaining traction, particularly those centred on leadership visibility, performance recognition, communication enhancement and employee involvement. The Authority’s continued emphasis on engagement-driven interventions contributed to reinforcing a performance-oriented, accountable and values-based culture. Collectively, these efforts support organisational cohesion, enhance morale and position the Authority to sustain productivity, resilience and service delivery effectiveness.

**EMPLOYEE WELLNESS**

The Authority maintained a strong focus on employee wellbeing through the implementation of comprehensive wellness initiatives aimed at promoting physical health, psychological resilience and social cohesion. Wellness programmes encompassed health awareness activities, psychosocial support interventions and employee engagement campaigns designed to enhance morale, productivity and overall workplace experience. The Authority successfully hosted the Southern Africa Inter Revenue Administration Games (SAIRAG), an important platform that fostered regional collaboration, teamwork, and employee motivation while reinforcing the organisation’s commitment to holistic wellness. Collectively, these initiatives underscore the Authority’s recognition of employee wellbeing as a strategic driver of performance, organisational culture and institutional sustainability.

# SAIRAG 2025



## ETHICS AND INTEGRITY

### Integrity Assurance

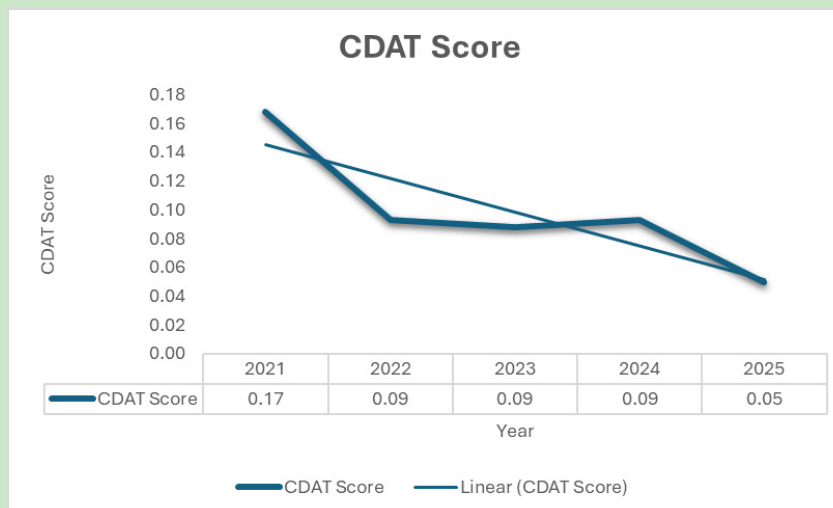
In a bid to ensure the integrity of operations, ZIMRA gathers intelligence and carries out integrity assurance investigations. Through such investigations, revenue identified for recovery during the year amounted to **ZWG1,466,051,420.44** and **US\$5,153,521.03**.

ZIMRA unearthed a scheme involving fraudulent payments on importations and joint investigations are in progress with law enforcement agencies. Measures to further strengthen the Authority’s payment system were implemented.

### Corruption Index

ZIMRA has a zero tolerance towards corruption and an assessment done using the Corruption Diagnostic Assessment Tool (CDAT) resulted in a corruption index of 0.05 against a target of 0. This shows that the Authority exerted considerable effort in fighting corruption.

The graph below depicts the Authority’s performance regarding the Corruption Index over the indicated period.



Corruption Index : 2021 -2025

### Lifestyle Audits, Asset Forfeiture and Recovery

The Authority implements a Lifestyle Audit Policy which seeks to ensure that employees at all levels live within their means. Eighteen lifestyle audit cases were opened. The cases involved seventeen immovable and sixteen movable properties whose valuation is in progress.

### Awareness Campaigns, Ethics Training and Corruption Risk Assessments

The Authority conducted integrity roadshows, breakfast meetings, integrity exhibitions as well as integrity training workshops as a way of promoting an ethical culture. Corruption risk assessments were also carried out at stations to identify vulnerabilities in the systems that may give rise to corruption so that they are addressed.

The purpose of the integrity activities was to foster voluntary compliance, reduce procedural breaches, build trust, clear ambiguities about ZIMRA’s operations, reduce collusion and pressure-induced breaches.

### Integrity Pledges

As a way of public manifestation of the Authority’s commitment to integrity and ethical conduct, all members of the Revenue Board and Executive Management signed Integrity Pledges administered by the Zimbabwe Anti-Corruption Commission (ZACC). The Authority is working with ZACC to ensure that staff at all levels sign the Integrity Pledges in due course.

## BUDGET EXPENDITURE ANALYSIS

### Funding

The Authority has adopted Programme-Based Budgeting (PBB) as its budgeting and performance management framework and operated through two approved programmes during the period under review, namely the Revenue Mobilisation and Trade Facilitation Programme and the Policy and Governance Programme. These programmes provide a structured mechanism for aligning resources with strategic objectives, measuring performance, and enhancing accountability for results.

### Proposed Programme Budgets vs Approved

- Revenue Mobilisation and Trade Facilitation (Programme 2): ZWG4.019 billion (63%)

- Policy and Governance (Programme 1): ZWG2.34 billion (37%).

### Grant Funding

Proposed vs Approved Budget (ZWG Millions)					
Details	Proposed Budget		Total Proposed	Approved	% Approved
	Revenue Mobilisation	Policy and Governance			
Operational Costs	710,913,504	1,119,233,078	1,830,146,582	1,535,980,001	84%
Staff Costs	2,983,168,913	994,389,638	3,977,558,550	3,103,276,324	78%
<b>Sub Total</b>	<b>3,694,082,416</b>	<b>2,113,622,716</b>	<b>5,807,705,132</b>	<b>4,639,256,325</b>	<b>80%</b>
Capital Expenditure	324,443,733	225,460,900	549,904,633	477,000,000	87%
<b>Grand Total</b>	<b>4,018,526,150</b>	<b>2,339,083,615</b>	<b>6,357,609,765</b>	<b>5,116,256,325</b>	<b>80%</b>

### Alternative Resource Mobilisation Initiatives

International assistance for capacity building amounted to USD1.43 million, including capital expenditure of USD1.307 million, equivalent to ZWG38.146 million and ZWG35.56 million respectively. Overall, the Authority received international assistance totalling USD2.74 million in 2025, compared to USD3.54 million in 2024, reflecting a decline mainly due to reduced technical assistance during the year. The support was directed towards capacity-building missions, foreign travel, and capital projects. Donor funding accounted for 1.24% of total income and complemented Treasury support.

Clearance fees contributed 1.78% of total income during the year, while investment income accounted for 1.70%. Other income streams, including rental income, auction proceeds, and insurance commissions, collectively contributed 1.11% of total income. The income composition indicates that non-Treasury revenue sources remain relatively small, collectively contributing less than 9% of total income. Consequently, the Authority continues to depend predominantly on Treasury support to finance its operations and strategic initiatives.

### Operational Expenditure Efficiency Analysis Budget Utilization

Category	Budget (ZWG)	Actual (ZWG)	Utilisation
Administration Cash Costs	1,535,980,001	1,485,717,049	97%
Staff Costs	3,103,276,324	2,953,383,021	95%
<b>Sub Total</b>	<b>4,639,256,325</b>	<b>4,439,100,070</b>	<b>96%</b>
<b>Total Administration Costs with Non Cash items</b>	<b>1,535,980,001</b>	<b>1,883,975,516</b>	
Staff Costs	<b>3,103,276,324</b>	<b>2,953,383,021</b>	95%
Capital Expenditure	1,219,816,817	749,852,067	61%
<b>Total</b>	<b>5,859,073,142</b>	<b>5,587,210,604</b>	<b>95%</b>

- Cost of Collection: 2.00% in 2025 (a decrease from 2.03% in 2024).
- Staff costs utilisation at 95% due to delayed appointments for various posts in 2025.
- Operational costs utilisation rate was at 97%.
- The Authority implemented cost optimisation measures aimed at enhancing revenue collection efficiency while maintaining the effective delivery of its mandate.

### Key Drivers of Operational Expenditure

The analysis of administrative expenses highlights several key cost drivers that significantly influenced ZIMRA's operations in 2025.

**1. Depreciation and Amortisation** charges remained significant, reflective of the Authority's sustained capital investment programme. Substantial investments made in critical infrastructure assets including machinery, ICT systems and buildings resulted in a corresponding increase in depreciation and amortisation charges as these assets are systematically expensed over their useful lives. This trend underscores the Authority's continued commitment to modernising its operational capabilities and strengthening its service delivery infrastructure for the long term.

**2. Travel and Subsistence** costs were mainly driven by intensified field operations, including audits, compliance inspections, enforcement activities and post-clearance audits. Several once-off strategic initiatives also contributed to the increase, such as implementation of the Fiscalisation Data Management System (FDMS), Risk Champions training and procedure review workshops. Other cost factors included activities related to the Single Window Project, TARMS change management, deployment of relief staff to border posts during peak periods and support for 24-hour operations at Forbes and Chirundu border posts.

**3. Rentals and Hire Costs** encompass expenditure on office space, staff housing and warehouse rental expenses incurred across the Authority. A notable portion of this cost line also relates to internet bandwidth costs required to support the Authority's national operations, reflecting the increasing

reliance on digital connectivity to deliver services efficiently and effectively across the country.

**4. Subscriptions and Licensing** costs reflect expenditure on mission-critical systems and platforms essential to the Authority's operations. These include SAP ERP system licenses, Checkpoint firewall security subscriptions, KnowBe4 cybersecurity awareness platform licenses, radiation scanner licenses and Microsoft Volume Licensing Agreements. Collectively, these investments ensure the continued availability, security, and integrity of ZIMRA's core operational and administrative systems, supporting both revenue management functions and the broader digital infrastructure underpinning the Authority's service delivery.

**5. Repairs and Maintenance** emerged as a significant cost driver, with most of the expenditure attributed to the servicing and repairs of the Authority's operational vehicle fleet as well as the ongoing maintenance of physical infrastructure across its offices and border facilities.

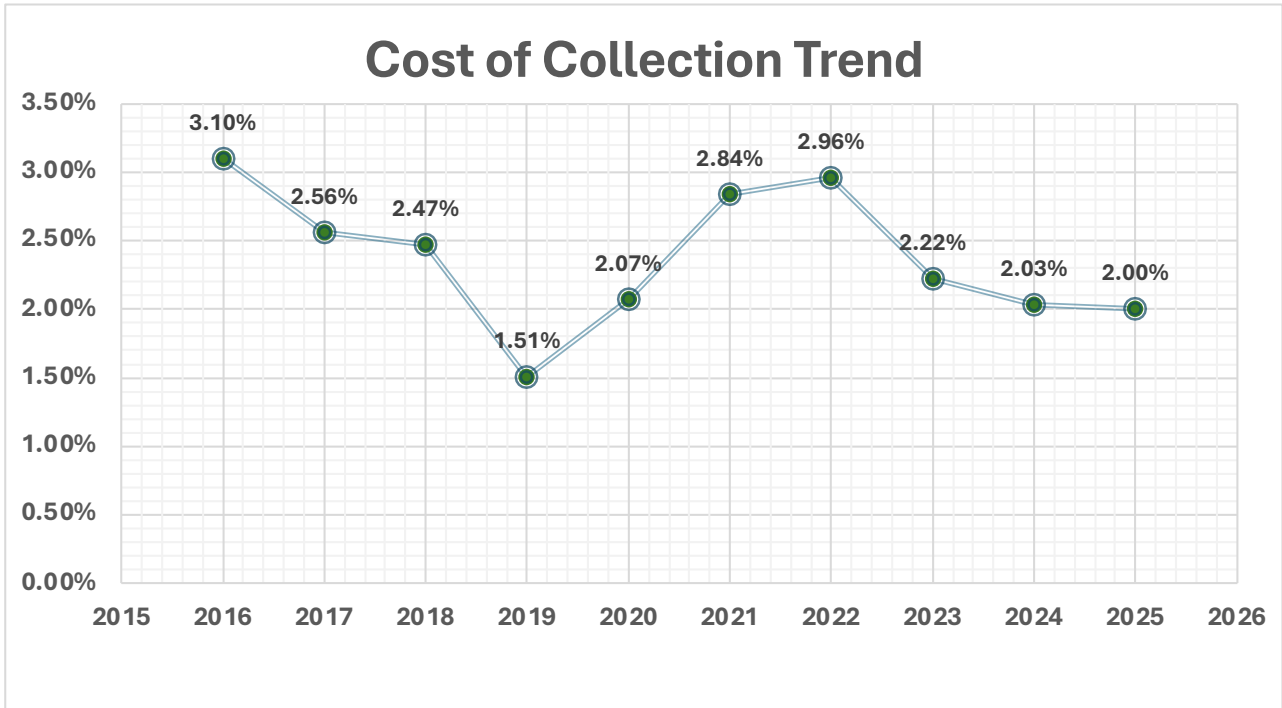
**6. Security Expenditure** covered robust protection services deployed across both inland offices and border stations throughout the year. These services ensured the continuous 24-hour safeguarding of critical infrastructure, revenue collection points, personnel and national assets under ZIMRA's jurisdiction.

**7. Motor Vehicle Costs**, comprising fuel, vehicle licensing and insurance expenditure, remained significant, driven by the size of ZIMRA's operational fleet. These costs are non-discretionary and essential to supporting enforcement operations, border control, field audits and personnel mobility across the Authority's nationwide network.

### Cost of Collection

The gross collections for the year totalled ZWG242.20 billion (excluding exchange gain), supported by expenditures of ZWG4.84 billion resulting in a cost of collection of 2%. This remains within the international good practice benchmark of 3%, indicating that only 2 cents from every ZWG collected were used for ZIMRA's operational costs, leaving 98 cents available for expenditure by the

Ministry of Finance, Economic Development, and Investment Promotion (MoFEDIP). Notably, the cost of collection decreased from 2.03% in 2024 to 2% in 2025, reflecting the intensity of revenue mobilisation efforts during the year, which culminated in the Authority surpassing the revenue target by 7%.



### Capital Expenditure Analysis

Capital expenditure for the period amounted to ZWG749.85 million, representing 61% of the approved capital budget. The remaining 39% relates to ongoing strategic projects and committed expenditures that will be carried forward into the coming year. These funds will support the acquisition of plant and machinery, including drones, baggage scanners, and CCTV systems, as well as the procurement of 32 double-cab vehicles, 5 single-cab vehicles, and 49 hatchbacks. The unutilised portion of the budget will also support the completion of the following projects currently in progress:

- Chirundu Flats
- Chiredzi Civil Works
- Mlampapele Project
- Chipinge Civil Works
- Forbes Cottages
- Umguza K9 Project
- Beitbridge Blue Flat

These investments remain critical to enhancing operational efficiency, strengthening border management capabilities, and improving staff accommodation and infrastructure across the Authority.

## 2025 Capital Expenditure Analysis (ZWG)

Asset Class	Unexpended Balance C/F 2024	Approved Budget 2025	Other income, including donations	Total Available budget	Expended Funds		Balance (ZWG)
					Actual	Committed Funds	
Land & Buildings	3,989,199	8,731,900	-	12,721,099	1,592,787	-	11,128,312
Computer Equipment	4,908,395	162,553,074	92,194,321	259,655,791	280,862,551	-	(21,206,761)
Construction Work-in-progress	119,455,631	255,715,026	-	375,170,657	198,893,890	-	176,276,768
Furniture and Equipment	3,712,168	9,000,000	-	12,712,168	12,418,437	260,000	33,731
Motor Vehicles	3,820,735	30,000,000	172,656,521	206,477,256	8,044,084	114,790,000	83,643,172
Canine	-	-	-	-	1,364,889	-	(1,364,889)
Plant and Machinery	226,785,115	11,000,000	115,294,732	353,079,846	246,675,429	1,768,000	104,636,417
<b>Total</b>	<b>362,671,243</b>	<b>477,000,000</b>	<b>380,145,575</b>	<b>1,219,816,817</b>	<b>749,852,067</b>	<b>116,818,000</b>	<b>353,146,750</b>

The negative balance under Computer Equipment does not represent an overrun. It results from exchange rate fluctuations, as some allocations were received in prior years. On Canine (Dogs), growth was only due to natural birth. There were no acquisitions during the year hence there was no budget for them.

### Major Capital Acquisitions

The capital expenditure outline for 2025 reflects a deliberate and strategic investment agenda, demonstrating ZIMRA's strong commitment to operational enhancement through major asset acquisitions. These investments span critical areas of the Authority's infrastructure and are detailed in the table below.

Asset Class	Amount Spent (ZWG)
Plant & Machinery	246,675,429
Computer Equipment	280,862,551
Motor Vehicles	8,044,084
Other	214,270,003
<b>Total</b>	<b>749,852,067</b>

A strategic capital investment of ZWG247 million was deployed to strengthen operational efficiency, security resilience, and infrastructure sustainability across key stations. The investment prioritised advanced surveillance capabilities

through the acquisition of drone technology, modern CCTV systems and biometric access control solutions to enhance monitoring and risk management. In addition, solar power installations were implemented to improve energy reliability and reduce operational disruptions, while air conditioning systems were upgraded to protect critical equipment and ensure optimal working environments. Portable density meters were also procured to enhance field accuracy, compliance and data-driven decision-making.

A total expenditure of ZWG281 million was allocated towards Information Technology enhancement systems, underscoring ZIMRA's strong commitment to digital transformation. Key investments included the implementation of the FDMS, TARMS, Governance Risk Compliance Software and COBIT frameworks, complemented by network infrastructure upgrades. These investments are aimed at improving data management, automating processes and ensuring compliance with governance standards. By harnessing data driven insights and streamlining workflows, this strategic emphasis on technology positions the Authority to enhance service delivery, operational agility and institutional effectiveness well into the future.

A total of ZWG8.04 million was invested in the procurement of vehicles during the year, underlining the Authority's strategic priority to strengthen logistical capacity for enhanced mobility across auditing, enforcement and field operations.

## Financial Statements Statement of compliance

The financial statements for the year ended December 31 2025 have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) framework, with additional guidance drawn from the Zimbabwe Financial Reporting Manual (2023). The Authority operated in full compliance with the Public Finance Management Act [Chapter 22:19] and the Revenue Authority Act [Chapter 23:22], alongside all relevant Statutory Instruments in force as of December 31, 2025.

The prior year's financial statements were the Authority's first set of financial statements prepared in accordance with International Public Sector Accounting Standards (IPSAS), following the successful completion of the IPSAS migration programme.

## Strategic Insights

- Government commitment to revenue mobilization remained strong, reflected in budget allocation, a milestone that underscores the effectiveness of ZIMRA's collection strategies.
- Gross revenue collection grew by 96.27% from ZWG123.4 billion in 2024 to ZWG242.2 billion in 2025, while the Board and management maintained tight cost discipline. The cost of collection declined marginally from 2.03% to 2%, remaining well within the internationally accepted benchmark of 3%. The efficiencies were underpinned by technology adoption and process optimisation across the Authority's operations.
- ZIMRA's sustained investment in capacity building, spanning staff training, international engagement and taxpayer education, continues to strengthen institutional capability and positions the Authority well for long-term performance.
- The Authority successfully concluded its five-year transition from International Financial Reporting Standards (IFRS) to the IPSAS framework, fulfilling its mandate as a public sector pilot entity and aligning its financial reporting with international public sector best practice.

## Analysis of financial health and sustainability.

### Key Financial Ratios

The financial ratios below indicate that the Authority's financial position is strong and aligned with its mandate, with no concerns regarding sustainability.

Total assets grew by 43% during the year, reflecting a significant strengthening of the Authority's financial standing and its enhanced capacity to sustain and expand operations.

Liquidity remained robust, with a current ratio of 1.96:1, meaning the Authority holds \$1.96 in assets for every \$1 of short-term liabilities, demonstrating a strong and comfortable position to meet all current obligations.

Cost efficiency was well maintained, with only 2 cents of every dollar collected allocated to the Authority's operational costs. The remaining 98 cents was remitted to the Ministry of Finance, Economic Development and Investment Promotion (MoFEDIP), reinforcing ZIMRA's core mandate of mobilising financial resources for the Government.

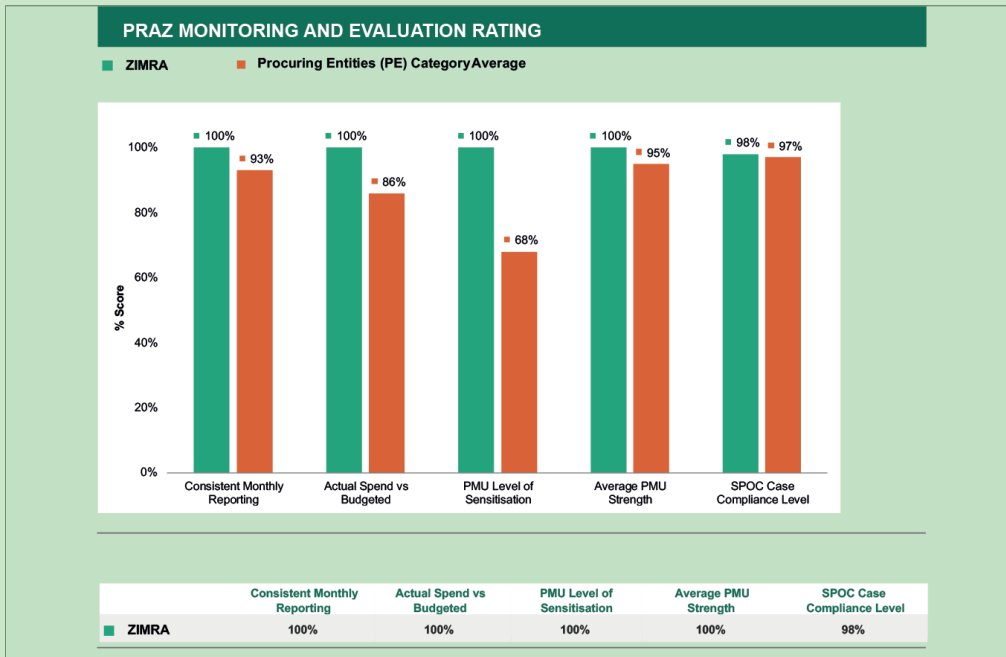
During the year under review, the Authority recorded strong performance in procurement regulatory compliance, procurement efficiency and digital transformation through the rollout of the electronic Government Procurement (eGP) system.

### Procurement Performance Highlights

During the reporting year, the Authority conducted procurement with an aggregate estimated value of over US\$26.5 million including Supplementary Procurement Plans. In compliance with the Public Procurement and Disposal of Public Assets Act [Chapter 22:23], procurement methods were applied as follows:

### Regulatory Compliance and Governance

The Authority maintained full compliance with procurement regulatory requirements throughout the year.



### Contract Management

The Authority enhanced contract management controls to safeguard value for money and service delivery outcomes.

- 93% of active contracts were delivered within agreed cost and time parameters.
- Contract variations were reduced to below 5% of total contract value, largely attributable to improved specifications and needs assessments.

Key achievements include:

- Registration and activation of 100% of PMU procurement officers on the e-GP platform.
- Training of 68 Procurement Practitioners and Evaluation Committee Members on e-GP processes and controls.
- Successful publication and management of all procurement processes on the e-GP system, representing 100% of all advertised procurements during the year.

### e-GP Implementation Progress

In line with Government policy and PRAZ directives, ZIMRA made notable progress in the implementation of the electronic Government Procurement (e-GP) system.

The adoption of e-GP has improved transparency, strengthened audit trails and reduced average procurement cycle times for advertised tenders.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

In 2025, the Authority continued to deepen its integration of Environmental, Social and Governance (ESG) considerations across its operations, governance frameworks and stakeholder relationships. This reflects ZIMRA's role as a responsible public institution committed to sustainable national development, inclusive economic growth and institutional integrity. ESG is not treated as a reporting obligation but is embedded as a driver of trust, performance and long-term value for Zimbabwe.

### Environmental Stewardship

**Strategic intent:** Reduce ZIMRA's operational environmental footprint while leveraging its statutory mandate to incentivise responsible environmental behaviour across the broader economy.

### Solar Energy Deployment and Energy Resilience

The Authority expanded its renewable energy programme throughout the year, with solar energy systems installed and operational at ten stations nationwide. The impact extended well beyond carbon reduction. Generator usage declined, fuel dependency decreased and operational continuity improved significantly across affected stations. Border processes became more stable, service delays linked to power outages were reduced and ZIMRA strengthened its alignment with national clean energy objectives, demonstrating that environmental responsibility and service delivery excellence are mutually reinforcing.



Solarisation of Chipingo Office

### Environmental Fiscal Measures and Statutory Enforcement

The Authority continued to operationalise a suite of fiscal and customs instruments aimed at influencing cleaner production, consumption and transportation choices across the economy. These instruments reflect Government's deliberate use of trade and tax policy as levers for environmental protection and climate action. The Authority sustained enforcement of Statutory Instruments.

### Community Environmental Engagement: Tree Planting



During the International Customs Day commemorations at Robert Gabriel Mugabe International Airport, ZIMRA distributed 200 tree seedlings to participants, a contribution to climate resilience, ecological awareness and community partnership. This demonstrated the Authority's commitment to integrating environmental sustainability into institutional activities and stakeholder engagement initiatives.



Minister of Finance, Economic Development and Investment Promotion, Honourable Professor M. Ncube planting a tree at the ZIMRA Head Office Ground Breaking Ceremony.

### National Clean-Up Campaign

Environmental responsibility was also cultivated through direct staff participation in national environmental programmes. Throughout the year the employees across all regions actively took part in monthly national clean-up campaigns held on the first Friday of each month. These campaigns provided opportunities to embed environmental consciousness into daily organisational culture.



ZIMRA Mutare Staff actively participating in the national clean-up campaign

### S Social Capital

**Strategic intent:** Strengthen employee wellbeing, advance inclusive service delivery and deepen the social contract between ZIMRA and the taxpayers and communities it serves.

The Authority continues to demonstrate strong social performance, supported by a consistent focus on taxpayer experience. Taxpayer satisfaction increased to 72%, up from 69% in 2024, while 97% of queries were resolved within five days, reflecting a well-established, service-driven approach within the ESG framework.

Gender diversity remains a key area of progress, with women representing 45% of management, providing a solid base for the Gender Equality Seal programme introduced in 2025.

### Disability Inclusion and Accessibility

The rollout of disability ramps and related infrastructure enhancements continued at various ZIMRA offices and service points nationwide. These interventions reflect the Authority’s commitment to ensuring that all facilities progressively enable persons with disabilities to access services with dignity and independence, aligned to human rights principles, inclusivity obligations and ZIMRA’s non-discrimination framework.

### Corporate Social Responsibility

The ZIMRA Charity Trust continued to lead the Authority’s Corporate Social Responsibility agenda, implementing community development initiatives that embed ESG principles to create lasting social impact across Zimbabwe.

The Trust’s annual Charity Ball was the flagship fundraising event of the year, with proceeds directed to supporting twelve academically gifted students demonstrating exceptional academia across various disciplines thereby contributing to human capital development, access to education and social mobility.



### Employee Wellness, Health and Safety

The Authority maintained a strong focus on employee wellness, health and safety through a range of structured initiatives. Key programmes promoted early cancer detection, physical fitness, mental wellbeing, sexual harassment prevention, teamwork and employee engagement reinforcing a safe, inclusive and supportive working environment, while also strengthening regional collaboration.



*Team Mutare raise breast Cancer and Sexual harassment awareness*



The Authority also supported employee mental health through a dedicated Men’s Mental Wellness Breakaway Session, which promoted emotional wellbeing, resilience and healthy coping mechanisms, contributing to a more engaged and productive workforce.



ZIMRA hosts a Men's Wellness Breakaway Session promoting mental wellbeing, resilience and team cohesion.

Further reinforcing its commitment to inclusion and empowerment, the Authority hosted the Women in Taxation Conference as part of International Women's Day commemorations. The initiative provided a platform to celebrate achievements, strengthen professional networks and promote mentorship, while advancing dialogue on leadership, ethical responsibility and professional excellence within the organisation.



ZIMRA hosts the Women in Taxation Conference, celebrating leadership and inclusion.

## Culture Transformation



**CULTURE  
CHANGE**

**TRANSFORMATION  
TOWARDS EXCELLENCE**

- Innovative Thinking
- Client Centric Excellence
- Integrity & Ethical Leadership
- Trust & Collaborative Culture
- Empowered & Accountable Workforce

The Authority advanced its institutional transformation agenda through the implementation of a Culture Change Programme aimed at reshaping organisational behaviour, strengthening ethical conduct and repositioning the ZIMRA brand. The programme brought together employees from across the Authority to reflect on existing organisational culture and collectively define the values, behaviours and attitudes required to support a modern, client-centric revenue Authority.

## Stakeholder Engagement and Taxpayer Education



The Authority conducted taxpayer education workshops, stakeholder meetings, agricultural show exhibitions and sector-specific engagements aimed at improving public understanding of tax and

customs obligations. These interactions supported voluntary compliance, enhanced transparency and strengthened relationships between ZIMRA and its stakeholders.

### Taxpayer Appreciation Day

In recognition of the central role taxpayers play in national development, ZIMRA hosted its Taxpayer Appreciation Day as a platform to publicly acknowledge compliant and exemplary taxpayers. The event celebrated the contributions of individuals and organisations whose tax compliance directly supports public services, infrastructure development and social programmes. By formally appreciating taxpayers, ZIMRA strengthened the social contract between the Authority and the public, reinforcing a culture of mutual respect, trust and voluntary compliance. The Authority is committed to a service-oriented approach to revenue administration, where taxpayers are recognised as partners in building sustainable national prosperity.

## G

### Governance and Institutional Integrity

**Strategic intent:** Embed ethical leadership, risk-informed decision-making and accountability structures that sustain public trust, institutional effectiveness and long-term governance excellence.

Governance initiatives implemented during 2025 reflect the Authority's ongoing journey towards institutional maturity, ethical leadership and risk-informed decision-making. Governance reforms were pursued not as compliance exercises, but as foundational enablers of trust, accountability and sustainable performance.

### Ethical Leadership and Integrity Pledge

Ethical conduct remained a defining pillar of ZIMRA's governance framework. During the year, Board members and Executive Management reaffirmed their commitment to ethical leadership through integrity pledges. These actions reinforced a culture of accountability, professionalism and service to the nation, strengthening public confidence in the Authority.



ZIMRA Board and Executive Management officially signed Integrity Pledges overseen by the Zimbabwe Anti-Corruption Commission

### Gender Equality Seal Implementation and Inclusive Governance Reform

The Authority formally launched the Gender Equality Seal, marking a significant institutional milestone in embedding gender equality, inclusion and equity across its governance, operational and human capital frameworks. Implemented in partnership with the United Nations Development Programme (UNDP) and the Ministry of Women Affairs, Community, Small and Medium Enterprises Development, the initiative positioned ZIMRA among leading public institutions adopting structured, measurable and internationally recognised gender equality standards.



### Tax Transparency Enhancement

The Authority hosted the Global Forum on Transparency and Exchange of Information for Tax Purposes Conference in Victoria Falls, reaffirming Zimbabwe’s commitment to international tax transparency, accountability and cooperation. The engagement focused on the implementation of international standards on Automatic Exchange of Information, Exchange of Information on Request and the Common Reporting Standard. Deliberations also addressed emerging governance risks associated with digital assets, data protection and confidentiality, highlighting the importance of robust legal and institutional frameworks to safeguard cross-border information exchanges.



*Delegates to the 12th Competent Authorities Conference of the Global Forum on Transparency and Exchange of Information for Tax Purposes*

## 2026 OUTLOOK

### Global Economic Outlook

The global economy is projected to grow by **3.3%** primarily driven by advancements in technology, the energy transition and industrial adaptation. While geopolitical tensions are expected to persist especially in the Middle East, the global economy is demonstrating resilience in the face of trade uncertainty.

Regarding the two largest economies, the United States is projected to grow at **2.6%**, supported by a surge in AI-related investment and the resolution of the federal government shutdown. China is forecasted to grow between **4.5%** and **4.6%**, supported by stimulus measures and a “trade truce”.

### Regional Economic Outlook

In 2026, the **Sub-Saharan African (SSA)** economy is projected to grow by **4.4%**, driven by a combination of booming natural resource exports, infrastructure development and a rapid digital services expansion. However, growth in the region may be curtailed by rising trade tensions and tighter global financial conditions. These factors are expected to weaken demand, depress commodity earnings and raise borrowing costs, further straining the heavy debt burdens of many SSA nations. Within the SADC region, the economy is projected to grow by **3%**.

### Domestic Economic Outlook

The year 2026 marks the first year of implementing **NDS2**, a key economic programme for achieving Vision 2030. The domestic economy is projected to grow by **5%**, driven by **Wholesale and Retail Trade (7.4%)**, **Financial and Insurance Activities (6.5%)**, and the **Mining sector (6.3%)**.

Year-on-Year (ZWG) Inflation is projected to decline to single-digit levels, reflecting stable prospects and sustained coordination between monetary and fiscal policy. Stable prices assist businesses in strategic planning and operations, which is likely to increase overall productivity.

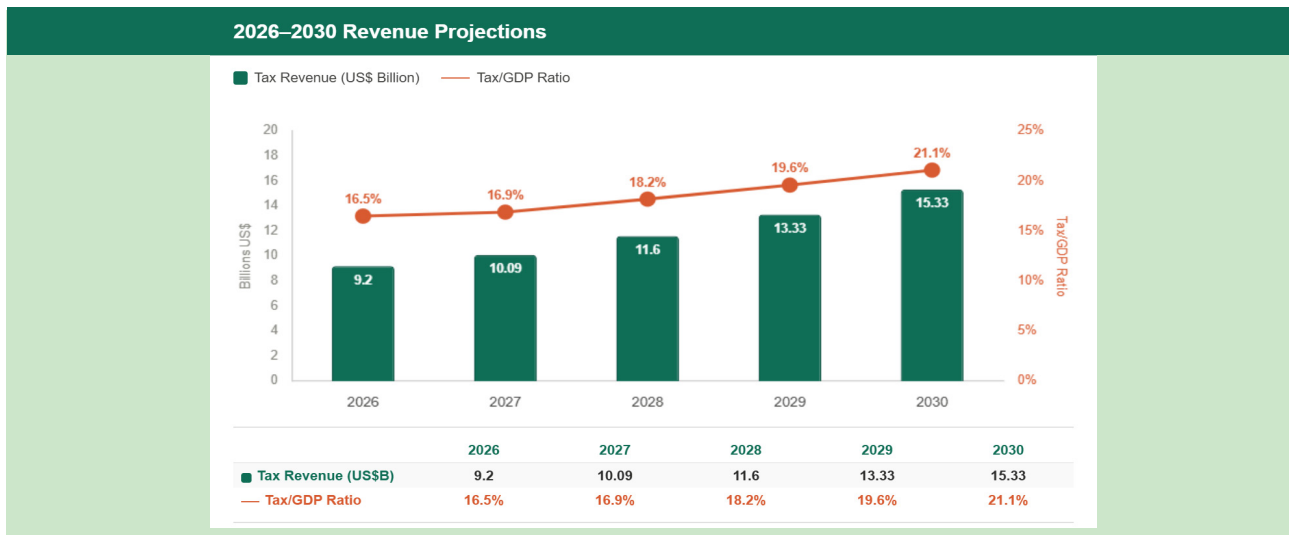
His Excellency, The President Cde. Dr. E.D. Mnangagwa, directed Ministries, Departments, and Agencies (MDAs) to conclude the review of licenses, permits, levies and fees. This initiative aims to enhance Zimbabwe’s ease of doing business by removing bureaucratic bottlenecks and reducing compliance costs, thereby attracting foreign investors.

Furthermore, targeted incentives such as those supporting a 24-hour economy announced in the 2026 National Budget will boost production and profitability, leading to increased tax collection. This is expected to induce a structural shift from agriculture towards manufacturing. Capacity utilisation is projected to remain stable at **54–55%**, with the potential to reach **56–57%** in the medium term if energy constraints are addressed and retooling support continues.

### 2026 Revenue Outlook

ZIMRA’s primary mandate is revenue collection. Supported by business-oriented fiscal and monetary policies, the revenue authority is expected to surpass the **US\$9.2 billion** target for 2026.

The figure below shows the revenue projections and the corresponding Tax-to-GDP ratios for the period 2026-2030.



# 2025 AUDITED FINANCIAL STATEMENTS

**All communication should be addressed to:**

The Auditor-General  
 P. O. Box CY 143, Causeway, Harare  
 Telephone 263-242-793611/3/4  
 Telegrams: AUDITOR  
 E-mail: oagzimbabwe263@gmail.com  
 Website: www.auditorgeneral.gov.zw

**OFFICE OF THE AUDITOR-GENERAL**

5th Floor, Pax House,  
 89 Kwame Nkrumah Avenue,  
 P.O. Box 981  
 Harare



Ref:

Ref SB 2

**REPORT OF THE AUDITOR-GENERAL**

TO

**THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT  
 PROMOTION**

AND

**THE BOARD OF DIRECTORS**

**IN RESPECT OF THE FINANCIAL STATEMENTS FOR**

**ZIMBABWE REVENUE AUTHORITY**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

**Report on the Audit of the Financial Statements****Opinion**

I have audited the financial statements of Zimbabwe Revenue Authority set out on pages 78 to 117, which comprise the statement of financial position as at December 31, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Zimbabwe Revenue Authority as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

**Basis for Opinion**

I conducted my audit in accordance with International Standards on Auditing (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of Zimbabwe Revenue Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in Zimbabwe, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**ZIMBABWE REVENUE AUTHORITY**  
**AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS OF THE**  
**for the year ended December 31, 2025**

**Key Audit Matters**

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the Zimbabwe Revenue Authority for the year ended December 31, 2025. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be the key audit matters to be communicated in my report;

<b>Key Audit Matter</b>	<b>How the matter was addressed in the audit</b>
<p><b>Valuation of property, plant and equipment. Refer to note 4.1 and 3.2 to the financial statements.</b></p> <p>The Authority held property, plant and equipment with a revalued amount of ZWG3.68 billion as at December 31, 2025.</p> <p>The determination of the fair value of property, plant and equipment involved use of valuation techniques which took into account assumptions, observable inputs and significant judgment.</p> <p>The useful life and residual values are also reviewed annually by management with reference to current, forecast and relevant technical factors. This involved a significant degree of management judgment and assumptions. As a result, valuation of property, plant and equipment was considered to be a key audit matter.</p>	<p>The audit procedures that I performed to address the risk of material misstatement relating to the valuation of property, plant and equipment included:</p> <ul style="list-style-type: none"> <li>• Assessed the competence, capabilities and objectivity of management’s valuation expert to determine reliability of the expert’s work.</li> <li>• Assessed the appropriateness of the valuation methodologies adopted by management’s specialist based on knowledge of the industry.</li> <li>• Identified, evaluated and tested significant judgments and assumptions used by management’s valuation expert by comparing them to those used by other valuers in the industry.</li> <li>• Assessed completeness and appropriateness of the property, plant and equipment disclosures in accordance with International Public Sector Accounting Standard (IPSAS) 45 - “Property, Plant and Equipment”</li> </ul> <p>Based on evidence gathered, I did not find exceptions on the valuation of property, plant and equipment.</p>
<p><b>Valuation of leases. Refer to note 7.1; 7.2 and 3.8 to the financial statements</b></p> <p>The Authority held right of use asset with a carrying amount of ZWG294.36 million and a lease liability of ZWG406.53 million as at December 31, 2025.</p> <p>Lease accounting involves complex</p>	<p>The audit procedures that I performed to address the risk of material misstatement relating to the leases included:</p> <ul style="list-style-type: none"> <li>• Reviewed the reasonableness of the management estimates and judgements on the rate implicit in the lease used by management.</li> <li>• Recomputed the lease liability and right of use asset to confirm mathematical</li> </ul>

**ZIMBABWE REVENUE AUTHORITY**

**AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS OF THE**

**for the year ended December 31, 2025**

<p>accounting and valuation decisions that have a significant impact on the financial statements.</p> <p>This involved a significant degree of management judgement and assumptions. As a result, valuation of leases were considered to be a key audit matter.</p>	<p>accuracy.</p> <ul style="list-style-type: none"> <li>Inspected the financial statements for the accounting policy used and consider its compliances with International Public Sector Accounting Standard (IPSAS) 43 – “Leases”</li> <li>Inspect the lease contracts and confirm whether it falls within the scope of IPSAS 43 – “Leases”</li> <li>Assessed the disclosure regarding leases to confirm compliance with the requirements of IPSAS 43 – “Leases”</li> </ul> <p>Based on the evidence gathered, I did not find exceptions on the valuation of leases.</p>
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**Other information**

Management is responsible for the other information. The other information comprises all the information in the Zimbabwe Revenue Authority’s 2025 annual report and does not include the financial statements and my auditor’s report thereon.

My opinion on the Zimbabwe Revenue Authority’s financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Zimbabwe Revenue Authority’s financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor’s report, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements.**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and in a manner required by the Revenue Authority Act [Chapter 23:11], and the Public Finance Management Act [Chapter 22:19], and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

**ZIMBABWE REVENUE AUTHORITY**  
**AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS OF THE**  
**for the year ended December 31, 2025**

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Those charged with Governance are responsible for overseeing the Authority's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Zimbabwe Revenue Authority to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am also required to provide those charged with governance with a statement that I have complied with the relevant ethical requirements regarding independence, and to communicate with them

**ZIMBABWE REVENUE AUTHORITY**  
**AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS OF THE**  
**for the year ended December 31, 2025**

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all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

In my opinion, the financial statements of Zimbabwe Revenue Authority have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Revenue Act [Chapter 23:11], the Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.


15 JUNE, 2026.

  
V. CHIKWENHERE,  
AUDITOR-GENERAL.


**ZIMBABWE REVENUE AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
as at December 31, 2025

	Note	Inflation adjusted		Historical cost	
		31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
<b>ASSETS</b>					
<b>Non-current assets</b>		<b>5 595 483 393</b>	<b>3 853 039 108</b>	<b>4 729 860 011</b>	<b>3 179 873 279</b>
Property, plant and equipment	4	3 679 598 112	2 741 436 434	3 546 500 851	2 698 478 817
Work in progress	4	210 724 410	19 542 970	207 422 413	19 236 737
Intangible assets	5	665 694 291	402 534 480	411 095 847	209 222 860
Investment property	6	330 421 522	224 834 889	217 901 252	109 152 002
Right of use asset	7.1	294 356 255	313 928 234	96 443 987	122 715 915
Financial assets	8	414 688 803	150 762 101	250 495 661	21 066 948
<b>Current assets</b>		<b>1 810 644 808</b>	<b>1 741 093 523</b>	<b>1 798 895 899</b>	<b>1 409 194 595</b>
Cash and cash equivalents	9	1 669 557 674	1 102 646 543	1 669 557 674	958 519 069
Receivables from transactions with binding arrangements	10	50 102 606	277 230 753	50 102 606	240 993 784
Assets held for sale	11	2 399 139	38 098	2 085 547	22 508
Inventory	12	48 297 050	49 634 291	42 127 842	25 602 351
Prepayments	13	40 288 339	311 543 838	35 022 230	184 056 883
<b>Total assets</b>		<b>7 406 128 201</b>	<b>5 594 132 632</b>	<b>6 528 755 910</b>	<b>4 589 067 874</b>
<b>Current liabilities</b>		<b>1 034 273 647</b>	<b>381 832 461</b>	<b>872 356 364</b>	<b>331 922 951</b>
Payables	14	615 503 774	235 517 994	615 503 774	204 733 319
Lease liability	7.2	224 971 189	64 625 808	63 053 905	56 178 537
Provision	15	193 798 684	81 688 660	193 798 685	71 011 095
<b>Non current liabilities</b>		<b>181 554 271</b>	<b>984 768 035</b>	<b>34 610 315</b>	<b>434 122 074</b>
Lease liability	7.2	181 554 271	371 477 843	34 610 315	71 450 832
Deferred income		-	613 290 192	-	362 671 242
<b>Total liabilities</b>		<b>1 215 827 918</b>	<b>1 366 600 496</b>	<b>906 966 679</b>	<b>766 045 025</b>
<b>Net assets</b>		<b>6 190 300 283</b>	<b>4 227 532 136</b>	<b>5 621 789 231</b>	<b>3 823 022 850</b>
<b>Net Assets/Equity</b>					
Accumulated fund		3 407 982 597	2 292 991 423	2 158 946 100	1 097 143 345
Revaluation reserve		2 782 317 686	1 934 540 713	3 462 843 131	2 725 879 505
<b>Net Assets/Equity</b>		<b>6 190 300 283</b>	<b>4 227 532 136</b>	<b>5 621 789 231</b>	<b>3 823 022 850</b>

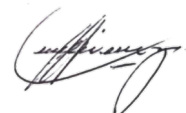
15 June , 2026

  
**E. R. Chitanda CA (Z),**  
(Director Finance, Administration & Infrastructure)

15 June , 2026

  
**R. S. Chinamasa,**  
(Commissioner General).

15 June , 2026



**A. S. Mandiwanza,**  
(Board Chairman).

**ZIMBABWE REVENUE AUTHORITY**  
**STATEMENT OF FINANCIAL PERFORMANCE**

for the year ended December 31, 2025

Note	Inflation adjusted		Historical cost	
	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
<b>Revenue</b>	<b>6 044 162 046</b>	<b>6 468 378 830</b>	<b>5 949 451 541</b>	<b>3 373 555 571</b>
Revenue without binding arrangements	4 713 403 931	4 923 182 371	4 639 546 072	2 460 265 686
Revenue with binding arrangements	1 330 758 115	508 396 595	1 112 487 864	243 688 000
Other revenue	200 560 336	1 036 799 864	197 417 605	669 601 885
<b>Less expenses</b>	<b>( 4 965 892 062)</b>	<b>( 3 692 129 579)</b>	<b>( 4 887 648 786)</b>	<b>( 2 364 595 974)</b>
Employment cost	( 3 000 398 515)	( 2 274 127 935)	( 2 953 383 021)	( 1 443 072 332)
Use of goods and services	( 1 494 022 993)	( 1 200 046 268)	( 1 470 609 285)	( 782 021 181)
Other expenses	( 420 868 483)	( 188 787 269)	( 413 366 232)	( 114 148 589)
Finance costs	( 50 602 071)	( 29 168 108)	( 50 290 248)	( 25 353 872)
<b>Operating surplus before monetary gain / loss</b>	<b>1 078 269 984</b>	<b>2 776 249 251</b>	<b>1 061 802 755</b>	<b>1 008 959 597</b>
<b>Net monetary gain / (loss)</b>	<b>3 672 190</b>	<b>( 2 889 737 219)</b>	<b>-</b>	<b>-</b>
<b>Surplus / (deficit) for the year</b>	<b>1 114 991 174</b>	<b>( 113 487 968)</b>	<b>1 061 802 755</b>	<b>1 008 959 597</b>

**ZIMBABWE REVENUE AUTHORITY**
**STATEMENT OF CHANGES IN NET ASSETS**

for the year ended December 31, 2025

	Inflation adjusted		
	Accumulated Fund ZWG	Revaluation reserve ZWG	Total ZWG
<b>Balance at January 1, 2024</b>	2 406 479 391	2 261 367 020	4 667 846 411
Revaluation deficit	-	( 326 826 307)	( 326 826 307)
Deficit for the year	( 113 487 968)	-	( 113 487 968)
<b>Balance at December 31, 2024</b>	<b>2 292 991 423</b>	<b>1 934 540 713</b>	<b>4 227 532 136</b>
<b>Balance at January 1, 2025</b>	2 292 991 423	1 934 540 713	4 227 532 136
Revaluation surplus	-	847 776 973	847 776 973
Surplus for the year	1 114 991 174	-	1 114 991 174
<b>Balance at December 31, 2025</b>	<b>3 407 982 597</b>	<b>2 782 317 686</b>	<b>6 190 300 283</b>
	Historical Cost		
	Accumulated fund ZWG	Revaluation reserve ZWG	Total ZWG
<b>Balance at January 1, 2024</b>	88 183 745	179 768 768	267 952 513
Revaluation surplus	-	2 546 110 737	2 546 110 737
Surplus for the year	1 008 959 598	-	1 008 959 598
<b>Balance at December 31, 2024</b>	<b>1 097 143 345</b>	<b>2 725 879 505</b>	<b>3 823 022 850</b>
<b>Balance at January 1, 2025</b>	1 097 143 345	2 725 879 505	3 823 022 850
Revaluation surplus	-	736 963 626	736 963 626
Surplus for the year	1 061 802 755	-	1 061 802 755
<b>Balance at December 31, 2025</b>	<b>2 158 946 100</b>	<b>3 462 843 131</b>	<b>5 621 789 231</b>

## ZIMBABWE REVENUE AUTHORITY

## CASH FLOW STATEMENT

for the year ended December 31, 2025

Note	Inflation adjusted		Historical cost	
	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net cash generated /(utilised) by operating activities	1 817 015 121	1 601 742 562	1 585 442 195	798 515 343
<b>Surplus before working capital changes</b>	<b>815 922 823</b>	<b>1 970 375 079</b>	<b>832 758 594</b>	<b>718 600 712</b>
Surplus / (deficit) for the year	1 114 991 174	( 113 487 968)	1 061 802 755	1 008 959 598
<b>Adjustments to reconcile profit to net cash flows:</b>	<b>( 299 068 351)</b>	<b>208 3863 047</b>	<b>( 229 044 161)</b>	<b>( 290 358 886)</b>
Fair value gain on revaluation of investment property	( 147 459 910)	20 787 199	( 145 149 250)	( 101 548 970)
Impairment loss - assets held for sale	7 887 170	-	6 856 234	-
Loss on disposal of property, plant and equipment	-	15 359 496	-	9 660 471
Depreciation of property, plant and equipment	20.1 286 457 104	67 153 652	281 968 388	41 522 797
Amortisation of intangible assets	20.1 30 276 909	12 448 761	29 802 478	7 361 617
Depreciation right of use assets	20.1 80 477 674	83 375 610	79 216 609	49 304 451
Finance cost	7.3 50 602 071	29 168 108	50 290 248	25 353 872
Amortised grant	( 417 204 213)	-	( 362 671 244)	-
Unrealised exchange gain	( 14 162 746)	( 1 019 688 994)	( 32 317 965)	( 280 529 125)
Donation income	( 36 143 975)	( 37 888 365)	( 35 577 608)	( 22 635 924)
Proceeds from disposal assets	-	( 3 449 148)	-	( 1 771 771)
Net monetary loss	(36 721 190)	2 889 737 219	-	-
Gain/loss on price differences	16.5 ( 190 138)	371 980	( 187 159)	238 340
Interest earned	( 102 887 107)	26 487 530	( 101 274 892)	( 17 314 644)
<b>Working capital adjustments</b>	<b>1 001 092 298</b>	<b>( 368 632 517)</b>	<b>752 683 601</b>	<b>79 914 632</b>
(Increase) / decrease in receivables	238 764 794	( 16 617 341)	191 923 296	26 736 739
(Increase) / decrease in prepayments	271 255 499	( 399 165 715)	149 101 313	( 181 962 000)
Increase in provisions	16 112 110 024	2 1929 407	122 787 590	67 048 798
Increase in assets held for sale	( 2 361 041)	( 487 392)	( 2 063 039)	( 10 759)
(Increase) / decrease in inventory	1 337 241	1 511 387	( 16 525 491)	( 24 478 607)
Increase in payables	379 985 780	24 197 138	307 459 932	192 580 461
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>( 837 572 452)</b>	<b>( 365 952 368)</b>	<b>( 740 820 080)</b>	<b>( 205 903 445)</b>
Interest received	17 102 887 108	22 210 466	101 274 892	13 390 189
Proceeds from sale of property, plant and equipment	-	3 449 148	-	1 771 771
Additions of financial investments	8 ( 263 926 701)	( 46 675 379)	( 230 484 922)	( 17 311 437)
Proceeds from redemption of investments	-	10 389 780	-	6 263 764
Purchase of intangible assets	(301 200 849)	( 161 851 879)	(261 830 737)	(95 711 660)
Purchase of property, plant and equipment	( 375 332 009)	( 193 474 504)	( 349 779 313)	( 114 306 072)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>( 133 583 511)</b>	<b>359 613 665</b>	<b>( 133 583 510)</b>	<b>319 540 864</b>
Government capital grant	-	409 229 333	-	362 671 244
Principal portion of lease liability	7.2 ( 83 293 262)	( 20 452 704)	( 83 293 262)	( 17 779 321)
Interest portion of lease liability	7.2 ( 50 290 249)	( 29 162 965)	( 50 290 248)	( 25 351 059)
<b>Net increase in cash and cash equivalents</b>	<b>845 859 158</b>	<b>1 595 403 859</b>	<b>711 038 605</b>	<b>912 152 764</b>
<b>Effects of Inflation on cash and cash equivalents</b>	<b>( 278 948 028)</b>	<b>( 914 019 602)</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of the year	1 102 646 544	421 262 287	958 519 069	46 366 305
<b>Cash and cash equivalents at year end</b>	<b>1 669 557 674</b>	<b>1 102 646 544</b>	<b>1 669 557 674</b>	<b>958 519 069</b>

**ZIMBABWE REVENUE AUTHORITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

for the year ended December 31, 2025.

	Historical cost			Inflation adjusted			Reference
	Budgeted Amounts	Actual	Variance	Budgeted Amounts	Actual	Variance	
<b>Total Revenue</b>	ZWG 6 459 289 687	ZWG 5 949 451 541	ZWG 509 838 147	ZWG 6 499 340 280	ZWG 6 044 162 046	ZWG 455 178 234	
Revenue without binding arrangements	5 807 705 132	4 639 546 072	1 168 159 060	5 843 715 598	4 713 403 931	1 130 311 667	Note 1
Revenue with binding arrangements	549 904 633	1 112 487 864	( 562 583 231)	553 314 297	1 130 197 779	( 576 883 482)	Note 2
Other revenue	101 679 922	197 417 605	( 95 737 683)	102 310 385	200 560 336	( 98 249 951)	Note 3
<b>Less expenses</b>	( 4 639 256 325)	( 4 887 648 786)	248 392 461	( 4 668 021 866)	( 4 965 892 061)	29 7870 195	
Compensation of employees	( 3 103 276 324)	( 2 953 383 021)	( 149 893 303)	( 3 122 518 077)	( 3 000 398 515)	( 122 119 562)	Note 4
Use of goods and services	( 1 520 566 426)	( 1 470 609 285)	( 49 957 141)	( 1 529 994 643)	( 1 494 022 993)	( 35 971 650)	Note 5
Other expenses	( 15 413 575)	( 413 366 232)	397 952 657	( 15 509 146)	( 420 868 483)	405 359 337	
Finance costs	-	( 50 290 248)	50 290 248	-	( 50 602 071)	50 602 071	
<b>Operating surplus before monetary gain / loss</b>	<b>1 820 033 362</b>	<b>1 061 802 755</b>	<b>75 8230 608</b>	<b>1 831 318 414</b>	<b>1 078 269 985</b>	<b>753 048 429</b>	
<b>CAPITAL EXPENDITURE</b>							Note 6
Furniture and equipment	9 000 000	273 781 936	( 264 781 936)	10 155 379	313 342 301	( 303 186 922)	
Buildings and living resources	8 731 900	2 957 676	5 774 224	9 852 862	3 004 759	6 848 103	
Vehicles, plant and mobile equipment	132 268 100	274 218 565	( 141 950 465)	159 100 940	278 583 903	( 119 482 962)	
Construction works	327 000 000	60 651 873	266 348 127	368 978 777	81 601 896	287 376 880	
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>477 000 000</b>	<b>611 610 050</b>	<b>( 134 610 050)</b>	<b>548 087 958</b>	<b>676 532 858</b>	<b>( 128 444 901)</b>	

**Note 1** The variance of ZWG1.13 billion is mainly attributable to exchange rate effects rather than an actual revenue shortfall, as the budget was prepared taking into account exchange rate fluctuations.

Revenue from binding arrangements exceeded the approved budget by ZWG576.88 million. The variance was driven mainly by deferred income reclassified to capital grant, driven mainly by **Note 2** higher-than-anticipated capital grants and donations, increased clearance fees, and improved interest income resulting from increased investment activity during the reporting period.

**Note 3** Other revenue exceeded budget by ZWG98.25 million driven primarily by fair value gains from the revaluation of investment property, and increase in donations received.

**Note 4** A budget overrun of ZWG122.12 million was recorded on staff costs, attributable to about 300 vacant positions that remained unfilled during the period under review.

An overall underspend of ZWG35.97 million was realised on use of goods and services, primarily as a result of cost containment measures targeting travel and subsistence expenditure. These savings were achieved through initiatives such as conducting meetings and training sessions virtually, rather than in person.

There was a budget overrun of ZWG128.44 million on capital expenditure. However, this was financed through utilisation unspent 2024 funds which were carried forward. These funds represented

**Note 6** savings from projects that were in progress during 2024 and were subsequently completed in 2025.

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended December 31, 2025**

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## 1. NATURE OF BUSINESS

The Zimbabwe Revenue Authority (ZIMRA) was established under the Zimbabwe Revenue Authority Act [Chapter 23:11] of 1999. The Authority's primary mandate is to collect revenue on behalf of the Government of Zimbabwe, administer tax legislation, and facilitate trade and economic development both within the region and internationally. ZIMRA is primarily funded by the Government of Zimbabwe through grants.

The Authority's Head Office is located at ZB Centre, Corner of Kwame Nkrumah Avenue and First Street, Harare, Zimbabwe.

## 2. BASIS OF PREPARATION

### 2.1. Statement of compliance with the reporting framework

The financial statements for the year ended December 31, 2025 have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs), as issued by the International Public Sector Accounting Standards Board (IPSAB).

Zimbabwe adopted IPSASs as its financial reporting framework through the promulgation of Statutory Instrument 41 of 2019. This move was part of the broader migration of public sector entities to IPSASs, supported by the Implementation and Strategy Plan launched by the Minister of Finance, Economic Development, and Investment Promotion in 2019.

As of 2024, the Authority's financial statements were fully compliant with IPSASs. The significant accounting policies applied in the preparation of these financial statements have been consistently followed and aligned with the IPSAS framework.

### 2.2. Statement of compliance with laws and regulations

The Authority complied with the Zimbabwe Financial Reporting Manual (ZFRM) and the Public Finance Management Act [Chapter 22:19], which ensures transparency, accountability, and effective management of revenue, expenditure, assets, and liabilities of public entities in Zimbabwe. The operations of the Authority are also governed by the Revenue Authority Act [Chapter 23:11], as well as relevant statutory instruments issued as of December 31, 2025.

### 2.3. Basis of measurement

The financial statements are prepared under the historical cost basis, adjusted to reflect the effects of inflation in accordance with International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies", except for the following:

- i. Property, Plant, and Equipment: These are initially measured at cost and subsequently measured using the revaluation method.
- ii. Intangible Assets: These are initially measured at cost and subsequently measured using the revaluation method.
- iii. Investment Properties: These are initially measured at cost and subsequently measured at fair value.

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 for the year ended December 31, 2025

**2.3.1. Inflation accounting**

The financial statements are presented in Zimbabwe Gold currency (ZWG), being the Authority's presentation currency. The economy in Zimbabwe is considered to be hyperinflationary, IPSAS 10 requires financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that the corresponding figures be stated in terms of the same measuring unit.

These financial statements have been adjusted to take account of the changes in general purchasing power of the Zimbabwe Gold as a result, are stated in terms of the measuring unit current at the balance sheet date. The adjustments are based on conversion factors derived from the consumer price index (CPI) issued by the Zimbabwe National Statistics Agency (ZIMSTAT) and published on the Reserve Bank of Zimbabwe's website.

The indices and conversion factors used to restate the financial statements for the period ended as at December 31, 2025 are as follows:

Month	Index	Conversion Factor
<b>Dec 31 2024</b>	112.3915	1.13
<b>Jan-25</b>	125.3978	1.01
<b>Feb-25</b>	125.7832	1.01
<b>Mar-25</b>	125.8444	1.01
<b>Apr-25</b>	126.1836	1.01
<b>May-25</b>	126.2102	1.01
<b>Jun-25</b>	126.8198	1.00
<b>Jul-25</b>	126.8198	1.00
<b>Aug-25</b>	126.8713	1.00
<b>Sept-25</b>	126.7796	1.00
<b>Oct-25</b>	127.0317	1.00
<b>Nov-25</b>	127.2707	1.00
<b>Dec-25</b>	127.3717	1.00

The following considerations and procedures were applied in the restatement of the financial statements, in accordance with IPSAS 10 - "Financial Reporting in Hyperinflationary Economies":

- Monetary items were not restated, as they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary items were restated to reflect the changes in the general price level using the Consumer Price Index (CPI).
- All items in the statement of financial performance have been expressed in terms of the measuring unit current at the reporting date and were restated accordingly.
- The surplus or deficit arising from the net monetary position has been separately disclosed in the statement of financial performance.

**2.4. Functional and presentation currency**

The financial statements are presented in Zimbabwe Gold (ZWG), with all amounts rounded to the nearest ZWG unless otherwise indicated. Management evaluated the appropriateness of

## ZIMBABWE REVENUE AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

using the Zimbabwe Gold (ZWG) as the functional currency, as required by International Public Sector Accounting Standard (IPSAS) 4 - "The Effects of Changes in Foreign Exchange Rates."

In assessing the functional currency, management considered parameters set in IPSAS 4- "The Effects of Changes in Foreign Exchange Rates" as follows:

- The currency that mainly influences the sales prices for goods and services.
- The currency of the competitive forces and regulations that mainly determines the sales prices of goods and services.
- The currency that mainly influences labour, material, and other costs of providing goods and services (normally the currency in which such costs are denoted and settled).
- The currency in which funds from financing activities are generated; and the currency in which receipts from operating activities are usually retained.

The Authority considered that the majority of its expenditure is paid in local currency and the expenditure is paid from its revenue proceeds. Considering that the official exchange rates have always been less attractive compared to parallel market rates, which made it attractive for residents to pay bills in local currency. The Zimbabwean Gold (ZWG) currency was widely used to pay suppliers. This was exhibited by the majority of contracts which were settled in ZWG equivalent. The stability and acceptance in the market of the local currency support the designation of ZWG as the functional currency. After careful consideration of the above cited factors, operational context and financial practices. The Authority reaffirms that the Zimbabwean Gold (ZWG) is its functional currency.

#### 2.5. Comparative information and current year

Opening balances and comparative information include amounts originating from prior periods (2024) during which a currency changeover occurred. Such balances were appropriately restated for inflation and translated into ZWG in the prior period.

In the current financial year, inflation adjustments were applied only to opening balances and comparative information to ensure consistency and comparability. No change in accounting policy or currency conversion occurred during the year.

Foreign currency transactions are translated to the Zimbabwe Gold using the Reserve Bank of Zimbabwe (RBZ) Interbank exchange rate.

#### 2.6. Critical accounting judgments, assumptions and estimates

In preparing the financial statements, management applied judgements, estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment were inherent in the formulation of estimates. Actual results in the future could differ from these estimates, which may be material to the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

##### 2.6.1. Impairment and provisioning policies

At each reporting date, the Authority reviews the carrying amounts of its assets to assess whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated. Where the recoverable amount is less than the carrying amount, the

**ZIMBABWE REVENUE AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended December 31, 2025**

asset is written down to its recoverable amount, and the resulting impairment loss is recognized in the statement of financial performance.

Impairment losses are recognized immediately as an expense, unless the asset is carried at a revalued amount in accordance with the applicable IPSAS standard. In such cases, the impairment loss is treated as a revaluation decrease. If, in a subsequent period, the conditions leading to the impairment no longer exist and there is evidence that the asset may no longer be impaired, the impairment loss is reversed. The reversal is recognized in the statement of financial performance to the extent that it increases the asset’s carrying amount to the amount that would have been recorded (net of depreciation or amortization) had no impairment loss been recognized.

**2.6.2. Useful lives and residual values of property, plant and equipment**

The Authority reviews the useful lives and residual values of property, plant, and equipment on an annual basis. Depreciation rates applied are disclosed in Note 3.3. During the year, management reassessed and, where necessary, revised the useful lives of certain assets to ensure they reflect the assets’ expected patterns of consumption and economic use.

Residual values for all classes of property, plant, and equipment have also been reviewed and determined by management based on current estimates of the assets' value at the end of their useful lives.

**2.6.3. Uncollectable accounts receivable**

The Authority applies the Simplified Approach in estimating expected credit losses (ECL), in line with IPSAS guidelines. This approach is based on management’s assessment of collection indicators and historical data to predict credit risk.

Although some receivables may arise from staff members who have exited the organization, the probability of default remains minimal due to the Authority’s ability to recover outstanding balances from terminal benefits. Based on experience and observable trends, management has developed a predictive model to assess the risk of default.

To calculate the expected credit losses, the Authority uses a provision matrix that incorporates historical loss rates adjusted for forward-looking information and current economic conditions. The provision matrix applied in the calculation of ECL is as follows:

0 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 to 150 days	151 and above
0.05%	0.15%	0.35%	0.50%	0.90%	2.00%

**2.6.4. Fair value measurement**

International Public Sector Accounting Standard (IPSAS) 46 - “Measurement” brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents’ views that an alternative current value measurement basis to fair value is needed for certain public sector assets. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended December 31, 2025**

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- In the absence of a principal market, in the most advantageous market for the asset.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

### 2.6.5. Going concern

The Directors have assessed the Authority's ability to continue operating as a going concern for a period of at least twelve months from the reporting date. This assessment considered the Authority's statutory mandate as a revenue collecting agency, ongoing Government support, projected revenue inflows, and existing operational resources.

Based on this assessment, the Directors are satisfied that the Authority has adequate resources and continued institutional support to maintain its operational existence for the foreseeable future.

Accordingly, the financial statements have been prepared on a going concern basis.

## 2.6 New and amended standards and interpretations

The financial statements for the year ended December 31, 2025 represent the Authority's first full compliance with International Public Sector Accounting Standards (IPSAS). As part of the transition to IPSAS, the accounting policies have been reviewed and adjusted to align with the requirements of the new financial reporting framework.

The following new standards, amendments, and interpretations to IPSAS have been issued but are not yet effective. The Authority will adopt these standards when they become effective

### 2.6.1 Amendment of International Public Sector Accounting Standard (IPSAS) 41- "Financial Instruments – Recognition and Disclosure"

The amendments focus on clarifying classification of financial assets of amortised cost and fair value, improving guidance on expected credit loss (ECL) assessments, enhancing disclosure requirements for:

- credit risk,
- liquidity risk,
- market risk.

#### Impact to the Authority:

May refine how receivables (e.g., tax debtors) are assessed for impairment, it could require enhanced disclosures on credit risk and assumptions used in ECL modelling. No fundamental change to recognition, but more detailed disclosure expected.

The amendments are effective from January 1, 2026. Management will further assess their applicability and evaluate any potential impact on the financial statements upon implementation

### 2.6.2 Amendment of International Public Sector Accounting Standard (IPSAS) 1- Presentation of Financial Statements

The amendments aim to Improve consistency in the structure and presentation of financial statements, clarify classification between current and non-current balances, enhancing guidance on:

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended December 31, 2025**

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- aggregation vs disaggregation of information.
- clarity in line-item descriptions.
- consistency between notes and primary statements.

**Impact to the Authority:**

May require refinement of line-item presentation (e.g., revenue, receivables, clearing accounts). Strengthens linkage between trial balance, notes, and financial statements. Improves overall readability and audit traceability.

The amendments are effective from January 1, 2026. Management will further assess their applicability and evaluate any potential impact on the financial statements upon implementation.

**2.6.3 SRS 1 Climate related disclosures**

SRS 1 introduces requirements for the disclosure of climate-related risks and opportunities. While not yet mandatory, the Authority acknowledges the growing importance of environmental risk reporting. Given the Authority's mandate, exposure is expected to be indirect rather than operational.

The Authority will assess the applicability of this standard in future periods, particularly in relation to policy and regulatory impacts and sustainability-related disclosures.

The amendments are effective from January 1, 2028. Management will further assess their applicability and evaluate any potential impact on the financial statements upon implementation.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies have been aligned to the International Public Sector Accounting Standards (IPSAS).

**3.1. Change in accounting policy**

The accounting policies adopted are consistent with those of the previous financial year.

**3.2. Property, Plant and Equipment (PPE)**

Property, plant and equipment are tangible non-current assets held for use in the production or supply of goods or services, or for administrative purposes; and that are expected to be used during more than one reporting period.

**3.2.1. Initial recognition**

The cost of an item of property, plant and equipment is recognised as an asset when and only if:

- a) It is probable that future economic benefits or service potential associated with the item will flow to the Authority, and
- b) The item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price including import duties and non-refundable purchase taxes, and other costs attributable to bring the asset to the

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended December 31, 2025**

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location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition. If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Recognition of costs in the carrying amount of property, plant, and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

**Assets acquired on transactions without binding arrangements- Donated assets**

Donated assets are measured at fair value upon receipt.

**3.2.2. Subsequent measurement**

Property, plant and equipment are initially recognised at cost and subsequently carried at revalued amounts, being fair value. The revaluation of the Authority's property, plant and equipment was performed as at December 31, 2025, by an independent qualified professional valuer using appropriate valuation methodologies based on market evidence and replacement cost approaches, where applicable.

Fair values were determined by reference to observable market data for comparable assets where such information was available. For specialised assets for which there is no active market, fair values were determined using the depreciated replacement cost approach, taking into account the age, condition, functional obsolescence and remaining useful economic life of the assets.

The valuation techniques applied were appropriate to the nature of the assets and the availability of reliable data. These included the following approaches:

- **Market approach (primary)** – based on observable market transactions for identical or comparable assets;
- **Income and cost approaches** – based on the present value of future economic benefits or service potential expected from the asset, based on the current replacement cost of the asset, adjusted for depreciation and obsolescence respectively.

Property, plant and equipment are revalued annually to ensure that their carrying amounts do not differ materially from their fair values at the reporting date.

A revaluation surplus is recognised in equity under the asset revaluation surplus. However, to the extent that it reverses a revaluation deficit previously recognised in the Statement of Financial Performance in respect of the same asset, the increase is recognised in the Statement of Financial Performance.

At the date of revaluation, accumulated depreciation is eliminated against the gross carrying amount of the asset, and the net carrying amount is restated to the revalued amount.

Upon disposal of a revalued asset, any revaluation surplus relating to that asset is transferred directly to retained earnings.

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended December 31, 2025**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising on derecognition is recognised in the Statement of Financial Performance in the period in which the asset is derecognised and is determined as the difference between the net disposal proceeds and the carrying amount of the asset.

### 3.2.3. Depreciation

Property, plant and equipment of the Authority are depreciated on straight line basis over the asset's expected useful life. Land and work in progress are not depreciated. The useful lives of each asset are set out below. A review of useful lives for assets across the classes was carried out during the year.

This had the effect of extending useful lives for specific assets after a fair assessment of their usefulness to the Authority going forward.

The reviews had the effect of extending lives and the rates of depreciation remained as set out below:

Asset Class	Asset	Useful life
Land		Indefinite
Buildings	<ul style="list-style-type: none"> <li>• Mobile homes</li> <li>• Other buildings</li> </ul>	10 years 60 years
Infrastructure	<ul style="list-style-type: none"> <li>• Civil works</li> <li>• Water works &amp; boreholes</li> <li>• Sewer</li> <li>• Temporary buildings</li> </ul>	30 years 10 years 10 years 50 years
Land improvements	<ul style="list-style-type: none"> <li>• Fencing &amp; durawall</li> <li>• Sidewalls</li> <li>• Drive ways</li> <li>• Street lighting</li> <li>• Storm drains</li> </ul>	10 years 5 years 20 years 10 years 10 years
Transport equipment	<ul style="list-style-type: none"> <li>• Motor vehicles</li> <li>• Other machinery and equipment</li> </ul>	5 years 10 years
ICT Equipment	<ul style="list-style-type: none"> <li>• Computer equipment</li> <li>• Network equipment</li> </ul>	6 years

## ZIMBABWE REVENUE AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

Machinery and equipment	<ul style="list-style-type: none"> <li>Generators</li> <li>Office equipment</li> <li>Scales and measures</li> <li>Fire fighting</li> <li>Water tank</li> <li>Solar equipment</li> <li>Tools &amp; equipment generals</li> </ul>	10 years 10 years 25 years 12 years 10 years
Biological Resources	<ul style="list-style-type: none"> <li>Animal resources and yielding repeat products.</li> </ul>	10 years
Furniture, Fixtures and Fittings	<ul style="list-style-type: none"> <li>Furniture, fixtures and fittings</li> </ul>	15 years
Assets under construction		
Intangible Assets	<ul style="list-style-type: none"> <li>Software and development cost</li> </ul>	6 years

**3.2.4. Impairment**

The Authority assesses at each reporting date whether there is any indication that an item of property, plant and equipment may be impaired.

Impairment occurs when the carrying amount of an asset exceeds its recoverable amount.

In determining impairment, the Authority applies international Public Sector Accounting Standard (IPSAS) 21 - "Impairment of Non-Cash-Generating Assets" or International Public Sector Accounting Standard (IPSAS) 26 - "Impairment of Cash-Generating Assets shall be applied to determine whether an item of property, plant and equipment is impaired.

Where the carrying amount exceeds the recoverable service amount, an impairment loss is recognized in surplus or deficit.

**3.2.5. De-recognition**

Property plant and equipment is derecognized when:

- It is disposed of.
- There are no future economic benefits or service potential from its use or disposal.

Upon de-recognition, any gain or loss is included in the statement of financial performance. The gain or loss is not revenue.

Where the replacement of a part of an asset is recognized separately, the carrying amount of the replaced part is derecognized regardless of whether it was depreciated separately. Where it is not practicable to determine the carrying amount of the replaced part, an entity may use the cost of the replacement as an indication of what the cost of the replaced part was at the time of acquisition, construction, or development.

The gain or loss arising from the de-recognition of an item of PPE shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. The consideration receivable on disposal of PPE is recognized initially at its fair value, and where the payment for the item is deferred, the consideration received is recognized initially at the

**ZIMBABWE REVENUE AUTHORITY****NOTES TO THE FINANCIAL STATEMENTS****for the year ended December 31, 2025**

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cash price equivalent. The difference between the nominal amount (current price) of the consideration and the cash price equivalent is recognized as interest revenue.

When PPE previously revalued is disposed of, any remaining surplus on the revaluation is transferred to the accumulated surplus.

**3.2.6. Infrastructure assets**

Infrastructure assets form part of property, plant and equipment and are accounted for in accordance with IPSAS 45 – Property, Plant and Equipment, adopted by the Authority in 2023. These assets are initially measured at cost and subsequently carried under the revaluation model.

Infrastructure assets include sewer ponds, treatment works, pipelines, reservoirs and related service infrastructure. Revaluations are performed annually to ensure carrying amounts do not differ materially from the fair value.

Any revaluation surplus is recognised in equity under the asset revaluation surplus, except to the extent that it reverses a previous revaluation decrease recognised in surplus or deficit for the same asset, in which case it is recognised in surplus or deficit. Infrastructure assets are depreciated over their useful lives and are derecognised when no further economic benefits or service potential are expected, with any resulting gain or loss recognised in surplus or deficit.

**3.2.7. Drones**

Drones are recognised as property, plant and equipment under International Public Sector Accounting Standard (IPSAS) 45 - "Property, Plant and Equipment". They are initially measured at cost and subsequently carried under the revaluation model at fair value less accumulated depreciation and impairment losses. Drones are used for operational monitoring and service delivery activities and were last revalued as at December 31, 2025. These are depreciated over their useful lives and derecognised when no future economic benefits are expected, with gains or losses recognised in surplus or deficit.

**3.2.8. Biological resources**

Living resources comprise biological assets that undergo natural biological transformation processes, including growth, degeneration, production, and reproduction, resulting in qualitative and quantitative changes over time.

The Authority's living resources consist of canine units used as sniffer dogs within the customs operational environment for detection, surveillance, and security enforcement activities. These canine units are classified as property, plant and equipment in accordance with International Public Sector Accounting Standard (IPSAS) 45 – Property, Plant and Equipment.

Living resources are initially recognised at cost and are subsequently revalued.

**3.3. Assets held for sale**

The Authority recognizes asset held for sale in accordance with International Public Sector Accounting Standard (IPSAS) 44 - "Non-Current Assets held for sale and discontinued Assets". Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sale. Impairment

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losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the profit or loss. Once classified as held for sale, the non-current assets are no longer depreciated.

### 3.4. Intangible assets

An intangible asset is recognised by the Authority only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Authority. Software acquired separately is measured on initial recognition at cost. Following initial recognition, it is carried at fair value less accumulated amortisation and impairment losses recognised at the date of revaluation.

The useful lives of intangible assets are assessed as finite. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset is reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern or consumption of amortisation period or method as appropriate and are treated as changes in accounting estimates. The amortisation expense is recognised in the statement of comprehensive income. Amortisation is recognised in the statement of comprehensive income on straight line basis over the useful life of the software. Amortisation methods, useful lives and residual lives are reviewed at each financial year end and adjusted if appropriate.

The estimated economic useful life applied is as follows:

SAP Operating software	6 years
Other software	6 years

Intangible assets are derecognised when no future economic benefits or service potential are expected from their use or at the date of disposal. The gain or loss arising from the derecognition of an intangible asset is included in surplus or deficit when the asset is derecognised.

#### 3.4.1. Development costs

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically feasible, future economic benefits are probable and the Authority intends to and has sufficient resources to complete development and to use the asset. Otherwise, expenditure is recognised in Statement of Financial performance as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Financial Performance as incurred. Any expenditure capitalised is normally amortised over three years.

### 3.5. Investment property

The Authority has investment property recognized in accordance with International Public Sector Accounting Standards (IPSAS)16-“Investment Property”. The Investment property comprises of Land and Buildings which are held to earn rentals or for capital appreciation.

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The Authority recognizes Investment property according to the fair value model in the standard, which reflects market conditions at the end of the reporting period. Gains or losses resulting from a change in the fair value of investment property are recognized in the income statement in the year they arise. The Authority, during the year reclassified some of the investment property to property, plant and equipment in accordance with International Public Sector Accounting Standards (IPSAS) 16 requirements to owner occupied.

### **3.6. Financial instruments**

Financial instruments such as cash, accounts receivable and loans are central to the operations of any public sector entity. Financial instruments: are contracts that give rise to both a financial asset in one entity and a financial liability or an equity instrument in another.

#### **3.6.1. Financial assets**

A financial asset, simply put, is cash, an equity instrument of another entity, or a contract to receive cash at a future date.

##### **Common financial assets:**

The most commonly used financial assets are cash, or a contract to receive cash. These instruments are the lifeblood of any entity and are used in most routine transactions. Common financial assets include:

- Accounts receivables;
- Loans receivable, including concessionary loans; and
- Investment certificates (Treasury Bills).

Not to be confused with financial assets: The following instruments are not financial assets:

- Statutory receivables; and
- Prepayments.

#### **3.6.2. Financial liabilities**

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

##### **Common financial liabilities:**

Similar to financial assets, many financial liabilities are routinely used in daily transactions. Any time an entity has an obligation to deliver cash, it has a financial liability. Common financial liabilities include:

- Bank overdraft;
- Accounts payable; and
- Borrowings (including bonds, loans and concessionary loans).

#### **3.6.3. Equity instruments**

Equity instruments represent an interest in the net assets of another entity. Equity instruments are often common shares or other types of investment in another entity.

The Authority has fully complied with International Public Sector Accounting Standards (IPSAS)-41 - "Financial Instruments". International Public Sector Accounting Standards (IPSAS)41,-

## ZIMBABWE REVENUE AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

“Financial Instruments” provides users of financial statements with more useful information than International Public Sector Accounting Standards (IPSAS) 29 “Financial Instruments” by:

- a) Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;
- b) Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- c) Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance.

The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

#### 3.6.4. Business model assessment

The Authority determines its business model at the level that best reflects how it manages its financial assets to achieve its business objectives. The Authority’s model is assessed on an instrument-by-instrument basis, based on the following factors;

- The risks that affect the performance of the business model and how the risk is managed within each financial asset.
- The level of amounts held within each financial instrument.
- The security available on securing each asset.

#### 3.6.5. Measurement

International Public Sector Accounting Standards (IPSAS) 29 – “Financial Instruments”, contained many different classification categories. Classification was rule-based and could be complex and challenging to apply in practice. International Public Sector Accounting Standards (IPSAS) 41 - “Financial Instruments” reduces complexity by replacing the existing classification and measurement categories for financial assets with principles-based categories.

The classification of financial assets is the foundation for the requirements for the measurement of financial assets on an ongoing basis, and the requirements for impairment and hedge accounting. International Public Sector Accounting Standards (IPSAS) 41 - “Financial Instruments” applies one approach for classification of all financial assets. The two criteria used to determine how financial assets should be classified and measured are:

- The entity’s management model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

International Public Sector Accounting Standards (IPSAS) 41 - “Financial Instruments” also allows an entity to elect to account for financial assets at fair value. The incurred loss impairment model in International Public Sector Accounting Standards (IPSAS) 29 - “Financial Instruments” has been criticized for resulting in delayed recognition of losses - as an entity can only recognize impairments when there is objective evidence indicating that a loss event has occurred, even if a loss has been likely for some time.

#### 3.6.6. Classification of financial assets and liabilities

The Authority classified all its financial assets based on the business model for managing the assets and the asset’s contractual terms measured at either;

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**NOTES TO THE FINANCIAL STATEMENTS**  
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- Amortised cost
- Fair value through other Statement of Financial Performance (SFP)
- Fair value through Statement of Financial Performance (SFP)

The Authority measures loans and advances to staff, money market investments and mortgage investments at amortised cost if both of the following conditions are met;

- The financial asset is held within a business model with the objective to hold financial assets in order collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

### **3.6.7. Impairment of financial assets**

Compared to the existing impairment model, International Public Sector Accounting Standards (IPSAS) 41 - “financial instruments” provides a single forward-looking model that eliminates the threshold for impairment recognition. It is no longer necessary for a trigger event to occur prior to recognizing a credit loss.

The forward-looking model requires an entity to recognize expected credit losses at all times. The model uses a dual measurement approach whereby expected credit losses are measured as either 12- month expected credit losses or lifetime expected credit losses. Due to its forward-looking nature, International Public Sector Accounting Standards (IPSAS)41-“Financial Instruments” model broadens the information that an entity is required to consider when it determines its expectation of credit losses. Consequently, more timely information is required to be provided about expected credit losses and it provides financial statement users the ability to make better decisions.

The expected credit loss model applies to debt instruments recorded at amortised cost or at fair value through other comprehensive income. An impairment test involves comparing an asset’s carrying amount in the balance sheet with its recoverable amount is done annually. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the recoverable amount using both methods is higher than the asset carrying amount, there is no impairment unless it is the reverse.

Expected credit losses is calculating the impairment allowance. After initial recognition, the impairment allowance is adjusted, up or down, through Statement of Financial Performance at each balance sheet date as the probabilities of collection and recoveries change.

### **3.6.8. De-recognition of financial assets**

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired.

### **3.6.9. De-recognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

## **3.7. Cash and Cash equivalents**

Cash equivalents are held to meet short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise bank balances, cash on hand, Funds on call and deposits.

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### **3.8. Leases**

#### **3.8.1 The Authority as a lessee**

The Authority has lease contracts for several properties, which are leased for office and staff accommodation. Management negotiates terms and conditions of the leases. Where lease terms exceed 12 months and values of the underlying assets exceed USD5000, the leases are recognised as “Right of Use” assets and the related obligations are recognised as liabilities.

##### **3.8.1.1 Short-term and low value assets leases**

The Authority recognised leases that were less than 12 months old at the reporting date and related to leasing of small items which have a value of less than USD5 000. Obligations incurred under these leases were charged to the statement of financial performance in equal instalments over the period of the lease, except when the alternative method is more representative of the time pattern from which benefits are derived.

##### **3.8.1.2 Recognition and measurement**

The right use of asset at commencement is measured at cost. Lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability.

The finance charge is allocated to each period during the lease term, to produce a constant periodic rate on the remaining balance of the liability.

#### **3.8.2 The Authority as a lessor**

The Authority leases out additional space at its premises to third parties. The leases are recognised as operating leases where rental income from the leases is recognized in the Statement of Financial Performance.

### **3.9. Inventory**

Inventories are assets held in the form of materials or supplies to be consumed or distributed in the rendering of services. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition using the weighted average cost.

#### **3.9.1 Initial measurement**

Inventories are initially measured at cost. When inventories are acquired through a non-exchange transaction, they are measured at their fair value at the date of acquisition.

#### **3.9.2 Subsequent measurement**

Inventories are subsequently measured at the lower of cost (weighted average cost) and net realizable value (NRV). However, inventories held for:

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Distribution at no charge or for a nominal charge, or consumption in the production of goods to be distributed at no charge or for a nominal charge, are measured at the lower of cost and current replacement cost.

### 3.9.3 Write-downs and reversals

The amount of any write-down to current replacement cost or NRV, and all inventory losses, are recognized as an expense in the period in which they occur. Any reversal of a write-down, resulting from an increase in net realizable value or current replacement cost, is recognized as a reduction in the expense for inventories in the period in which the reversal occurs.

### 3.10. Revenue

Revenue comprises the gross inflow of economic benefits or service potential received or receivable by the Authority during the period, when such inflows result in an increase in net assets or equity, other than increases arising from contributions by owners.

The Authority does not recognize as revenue any amounts collected in its capacity as an agent on behalf of the Government, other government organizations, or third parties. These amounts do not result in an increase in the Authority's net assets or equity, and therefore fall outside the scope of revenue recognition.

In determining whether a transaction constitutes revenue, the Authority assesses whether the transaction arises from a binding arrangement or without a binding arrangement, in accordance with the requirements of IPSAS 47 - "Revenue". This evaluation considers factors such as:

- The existence of enforceable rights and obligations.
- The approval and commitment of the parties to the arrangement.
- The identification of specific performance obligations.
- The economic substance and collectability of consideration.

Based on this assessment, revenue is recognized using either the binding arrangement accounting model or the non-binding arrangement model, as appropriate.

#### 3.10.1. Revenue from transactions without binding Arrangements

The Authority engages in revenue transactions that may occur without binding arrangements. In such cases, the Authority evaluates whether the transaction confers rights or obligations that meet the definitions of assets or liabilities in accordance with applicable IPSAS standards.

Specifically, the Authority assesses:

- a. Whether any rights associated with the transaction meet the definition of an asset; and
- b. Whether any obligations arising from the transaction meet the definition of a liability.

Revenue Recognition Timing:

Revenue from transactions without binding arrangements is recognized as follows:

- (a) When the Authority has an associated obligation that meets the definition of a liability, revenue is recognized as the obligation is satisfied;
- (b) If there is no enforceable obligation, revenue is recognized immediately upon receipt of the inflow of resources.

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**3.10.2. Measurement of revenue transactions without binding arrangements**

Revenue from transactions that do not arise from binding arrangements is measured at the fair value of the consideration received or receivable. When the consideration is non-cash, it is measured at its current value in accordance with the applicable IPSAS.

Subsequent to initial recognition, the Authority measures:

- a. Receivables that fall within the scope of IPSAS 41 - "Financial Instruments" as financial assets. For receivables not directly within the scope of IPSAS 41 - "Financial Instruments", measurement is applied by analogy, where appropriate;
- b. All other assets in accordance with the applicable IPSAS standards governing those asset types.

Revenue Grants are recognized as income in the Statement of Financial Performance in the same period in which the related eligible expenditures are incurred. This ensures that grant income is matched with the corresponding expenses it is intended to fund.

**3.10.3. Revenue from transactions with binding arrangements**

The Authority accounts for revenue from binding arrangements using the binding arrangement accounting model if all of the following criteria are met:

- a. The parties to the binding arrangement have approved the arrangement and are committed to performing their obligations;
- b. The Authority can identify each party's rights under the binding arrangement;
- c. The binding arrangement has economic substance;
- d. It is probable that the Authority will collect the consideration to which it is entitled for satisfying its compliance obligations in accordance with the binding arrangement.

Once a binding arrangement meets the above criteria, the Authority shall not reassess these criteria unless there is an indication of a significant change in facts and circumstances.

Government Grants: The Authority receives government grants, which are recognized as income and assets. Government grants, including non-monetary grants recognized at fair value, are not recognized until there is reasonable assurance that:

The Authority will comply with the conditions attached to the grants; and the grants will be received. Any unused portion of a grant is recognized as deferred income until the conditions for recognition as income are met.

Donations in Kind: Donations in kind are recorded as assets and other income when received, at their fair value.

**3.10.3.1. Measurement**

Revenue is measured based on the consideration to which the Authority expects to be entitled in exchange for satisfying a compliance obligation, in accordance with IPSAS 47 - "Revenue". The total transaction consideration is allocated to each identifiable compliance obligation within a binding arrangement, typically based on their relative stand-alone selling prices. Services in-kind are not required to be recognized but may be recognized if they meet the recognition criteria outlined in the relevant IPSAS standards.

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A capital transfer is defined as an inflow of cash or another asset from a binding arrangement with a stipulation that the Authority acquires or constructs a non-financial asset that will be controlled by the Authority. Since capital transfers arise from enforceable arrangements, the Authority applies the binding arrangement model under IPSAS 47 - "Revenue" to recognize and measure revenue related to such transfers.

In addition to revenue from binding arrangements, the Authority also earns income from the following sources:

- Interest income on short-term investments, which is recognized using the effective interest method;
- Rental income from investment properties, recognized on a straight-line basis over the lease term unless another systematic basis is more representative;
- Commission income from revenue collection on behalf of third parties. Only the commission component is recognized as income, not the gross amount collected.
- Any other income received by the Authority is recognized based on the substance of the transaction, in accordance with the relevant guidance provided in IPSAS 47 - "Revenue".

### **3.11. Employee benefits**

#### **3.11.1. Short term employee benefits**

Short-term employee benefits are recognized as an expense when the related service is rendered by the employee. A liability is recognized for the amount expected to be paid when the Authority has a present legal or constructive obligation to make such payments as a result of past service, and the amount can be reliably estimated. These benefits include wages, salaries, bonuses, paid annual leave, and non-monetary benefits (such as medical care) expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service.

#### **3.11.2. Defined contribution plan**

Obligations for defined contribution plans are recognized as an expense in the period during which the related service is rendered by the employee. Contributions to the plan are expensed as incurred. Prepaid contributions are recognized as an asset to the extent that they will lead to a reduction in future payments or a cash refund from the plan.

#### **3.11.3. Termination benefits**

Termination benefits are recognized as an expense at the earlier of the following dates:

- When the Authority can no longer withdraw the offer of those benefits; or
- When the Authority recognizes costs for a restructuring that involves the payment of termination benefits.

If the termination benefits are expected to be settled more than 12 months after the reporting date, they are measured at their present value by discounting the expected future payments.

### **3.12. Related party disclosures**

In accordance with IPSAS 20, key management personnel are defined as those persons having the authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly.

The Authority's key management personnel comprise senior management.

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Key management personnel compensation includes short-term employee benefits and other remuneration provided in exchange for services rendered during the reporting period.

Such compensation is recognised as an expense in the period in which the services are received, in accordance with applicable accounting standards.

**3.13. Risk management****3.13.1. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to unforeseen changes in market interest rates. The Authority's exposure to interest rate risk primarily arises from its held-to-maturity investments. Management actively monitors and manages interest rate risk on a proactive basis. To mitigate this risk, the Authority predominantly invests in securities with shorter maturities, thereby reducing exposure to significant fluctuations in market interest rates.

**3.13.2. Credit risk**

The Authority's debtors are primarily internal, consisting of staff members who have been issued loans, advance salaries, and travelling and subsistence allowances. The exposure to credit risk from these debtors is subject to ongoing monitoring. The monitoring process takes into account various factors, including the employee's employment status, duration of employment, and position within the organization. These factors help assess the collectability of outstanding balances and mitigate the risk of non-payment.

**3.13.3. Market risk**

The Authority is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks arise from open positions in interest rates and foreign currencies, which are subject to general market movements. These risks include changes in interest rates and fluctuations in foreign exchange rates. The Authority's exposure to market risk is influenced by the level of volatility in market prices and rates, including interest rates and foreign exchange rates.

**3.13.4. Foreign currency transaction and balances**

The Authority's records are maintained in Zimbabwe Gold (ZWG), which is the functional currency. However, some transactions are conducted in other major foreign currencies, including the United States Dollar, South African Rand, Botswana Pula, British Pound, and Euros. Transactions in foreign currencies are translated to Zimbabwe Gold (ZWG) at the exchange rates prevailing at the time the transactions occur. Any gains or losses arising from the conversion or settlement of foreign currency transactions are recognized in the statement of financial performance.

**3.14 Provisions and contingent liabilities**

Provisions are recognized when all of the following conditions are met:

- There is a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and
- A reliable estimate can be made of the amount of the obligation.

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If these conditions are not met, a provision is not recognized.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the financial statements but are disclosed, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets are also not recognized but are disclosed in the notes to the financial statements where an inflow of economic benefits or service potential is probable, but not virtually certain. These typically arise from unplanned or unexpected events that:

- a. Are not wholly within the control of the Authority; and
- b. Give rise to the possibility of an inflow of resources.

### **3.15 Taxation**

The Authority's receipts and payments are exempt from income tax under the provisions of the Third Schedule to the Income Tax Act [*Chapter 23:04*].

### **3.16 Statement of budget**

In accordance with IPSAS 24 - "Presentation of Budget Statements", the Authority presents a budget statement that includes the original budget, final budget, and actual expenditures. The budget statement reconciles movements between the original and final budget, highlighting any re-allocations or other adjustments. Variances between actual spending and the final budget are disclosed with appropriate explanations.

The Authority has disclosed the budget in both historical cost and inflation-adjusted formats in compliance with IPSAS 10 - "Financial Reporting in Hyperinflationary Economies". The Original Budget includes a portion of capital expenditure approved in the prior year but not fully utilized for ongoing capital projects, which has been carried forward and added to the current year's approved budget.



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**4.2 Property, plant and equipment- Historical cost**

Description	Land	Buildings	Infrastructure Assets	Living Resources	Plant and Machinery	Office Equipment	Furniture, Fixtures, and Fittings	Computer Equipment	Motor Vehicles	Network Equipment	Total	
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
<b>COST</b>												
<b>Balance as at January 01, 2025</b>	549 283 200	1 220 948 154	14 560 000	3 607 560	355 431 253	16 252 585	77 506 918	82 629 598	360 629 120	17 630 427	2 698 478 817	191 575 167
Additions	-	1 592 787	-	1 364 889	246 675 429	467 238	11 951 199	7 387 089	8 044 084	11 644 745	289 127 440	106 239 823
Donations	-	-	-	-	9 398 131	32 080	-	12 401 967	-	13 745 431	35 577 609	-
Transfer from investment property and assets under construction	18 200 525	28 907 689	-	-	-	-	-	-	-	-	47 108 214	2 373 122
Transfer to asset held for sale	-	-	-	(592 020)	(1 131 864)	(451 985)	(1 629 615)	(1 354 460)	(10 697 760)	(738 960)	(16 596 664)	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	(8 967 014)
Revaluation adjustment	238 556 070	99 513 323	7 205 067	3 383 920	220 186 810	664 242	8 609 525	126 136 079	60 840 754	2 023 109	767 118 899	2 448 780 515
Accumulated Depreciation Reversal	-	(26 992 889)	(7 595 067)	(541 539)	(31 828 072)	(2 384 038)	(18 969 642)	(40 714 643)	(135 594 609)	(9 692 964)	(274 313 463)	(41 522 797)
<b>Balance as at December 31, 2025</b>	<b>806 039 795</b>	<b>1 323 969 064</b>	<b>14 170 000</b>	<b>7 222 809</b>	<b>798 731 686</b>	<b>14 580 123</b>	<b>77 468 385</b>	<b>186 485 610</b>	<b>283 221 589</b>	<b>34 611 789</b>	<b>3 546 500 851</b>	<b>2 698 478 817</b>
<b>DEPRECIATION AND IMPAIRMENT</b>												
<b>Balance as at January 1, 2025</b>	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation on assets transferred to assets held for sale	-	-	-	79 222	325 218	120 152	428 116	869 634	5 494 040	338 543	7 654 925	-
Depreciation and impairment charge for the year	-	(26 992 889)	(7 595 067)	(620 761)	(32 153 290)	(2 504 190)	(19 397 758)	(41 584 277)	(141 088 649)	(10 031 507)	(281 968 388)	(41 522 797)
Accumulated depreciation Reversal	-	26 992 889	7 595 067	541 539	31 828 072	2 384 038	18 969 642	40 714 643	135 594 609	9 692 964	274 313 463	41 522 797
<b>Balance as at December 31, 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value as at December 31, 2025</b>	<b>806 039 795</b>	<b>1 323 969 064</b>	<b>14 170 000</b>	<b>7 222 809</b>	<b>798 731 686</b>	<b>14 580 123</b>	<b>77 468 385</b>	<b>186 485 610</b>	<b>283 221 589</b>	<b>34 611 789</b>	<b>3 546 500 851</b>	<b>2 698 478 817</b>
<b>WORK IN PROGRESS</b>												
<b>COST</b>												
<b>Cost as at January 1, 2025</b>	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at December 31, 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value as at December 31, 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at January 1, 2025</b>	<b>19 236 737</b>	<b>198 893 890</b>	<b>8 066 249</b>	<b>(10 708 214)</b>	<b>207 422 413</b>	<b>11 770 173</b>	<b>8 066 249</b>	<b>(599 686)</b>	<b>19 236 737</b>	<b>11 770 173</b>	<b>19 236 737</b>	<b>19 236 737</b>

During the year, the Authority reviewed certain properties previously classified as investment properties. Management decided to utilise these properties for staff accommodation, resulting in a change in use. Consequently, the properties were transferred from investment property to property, plant and equipment at their carrying amounts at the date of the change in use, which became the deemed cost for subsequent measurement. The are assets are as follows:

- Flat N0 13 Melbourne flats Bulawayo
- Stand 709 Bulawayo Township
- 122 Bushmed Jod Township
- Stand 899 Mariborough

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for the year ended December 31, 2025

	Inflation adjusted		Historical cost	
	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
<b>5 Intangible assets</b>				
<b>Software and development cost</b>				
<b>Opening carrying amount</b>	<b>402 534 480</b>	<b>280 690 242</b>	<b>209 222 860</b>	<b>16 180 979</b>
Gross carrying amount	402 534 480	280 690 242	209 222 860	16 180 979
Accumulated amortisation	-	-	-	-
Additions	301 200 849	161 851 879	261 830 737	95 711 660
Revaluation deficit	( 34 689 563)	(40 007 641)	( 30 155 273)	97 330 221
Asset write down due to revaluation	( 33 628 384)	(12 448 761)	( 29 802 477)	(7 361 617)
Accumulated Amortisation reversal	30 276 909	12 448 761	29 802 477	7 361 617
Amortisation charge for the period	( 30 276 909)	( 12 448 761)	( 29 802 477)	( 7 361 617)
<b>Closing carrying amount</b>	<b>665 694 291</b>	<b>402 534 480</b>	<b>411 095 847</b>	<b>209 222 860</b>
Gross carrying amount	665 694 291	402 534 480	411 095 847	209 222 860
Accumulated amortisation	-	-	-	-
<b>Breakdown of software and development costs</b>			<b>Development</b>	
			<b>Costs</b>	<b>Total</b>
<b>5.1 Opening carrying amount</b>			<b>113 511 200</b>	<b>95 711 660</b>
Gross carrying amount			113 511 200	95 711 660
Accumulated amortisation			-	-
Accumulated amortisation			-	-
Additions			21 605 153	240 225 584
Transfers			87 697 665	(87 697 665)
Revaluation deficit			(30 155 273)	-
Asset write down due to revaluation			(29 802 477)	-
Accumulated amortisation reversal			29 802 477	-
Amortisation charge for the year			(29 802 477)	-
<b>Closing carrying amount</b>			<b>162 856 268</b>	<b>248 239 579</b>
Gross carrying amount			162 856 268	248 239 579
Accumulated armortisation			-	-

**ZIMBABWE REVENUE AUTHORITY**
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**for the year ended December 31, 2025**
**6 Investment property**

The Authority has investment properties from which it generates rental income at commercial rates. The properties were revalued as detailed below:

	Inflation adjusted		Historical cost	
	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
Opening balance	224 834 889	249 626 344	109 152 002	9 970 962
Fair value gain/ (loss)	147 459 910	( 20 787 199)	145 149 250	101 548 970
Reclassification to land (PPE)	(20 937 242)	( 1 086 700)	(18 200 525)	( 642 624)
Reclassification to buildings (PPE)	(20 936 034)	( 2 917 556)	(18 199 475)	( 1 725 307)
<b>Closing balance</b>	<b>330 421 522</b>	<b>224 834 889</b>	<b>217 901 252</b>	<b>109 152 002</b>

**7 Leases**

The Authority entered into lease agreements with various property owners for office accommodation and staff accommodation especially at border posts. The Authority is obligated to provide accommodation to its staff members stationed at Border Posts in terms of its Human Capital Policy. The lease terms range from less than a year to 5 years. Most of the lessors are amenable to renewal upon expiry of the lease agreements. However, leases with terms that are less than a year are treated as short term leases and are expensed in terms of the standard.

**7.1 Right of Use**

	Inflation adjusted		Historical cost	
	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
<b>Right of use assets recognised</b>				
<b>Right of use</b>	<b>374 833 929</b>	<b>387 634 389</b>	<b>175 660 596</b>	<b>166 302 302</b>
Opening balance	313 928 234	113 472 921	122 715 915	4 175 984
Additions	53 332 278	31 531 019	46 361 189	18 645 976
Remeasurements	7 573 417	242 630 449	6 583 492	143 480 342
<b>Terminations</b>	<b>-</b>	<b>21 596</b>	<b>-</b>	<b>12 771</b>
Cost	-	( 9 626 263)	-	( 5 692 523)
Accumulated depreciation	-	9 647 859	-	5 705 294
<b>Accumulated depreciation</b>	<b>(80 477 673)</b>	<b>( 73 727 752)</b>	<b>(79 216 609)</b>	<b>( 43 599 157)</b>
Less depreciation charge for the year	( 80 477 673)	( 83 375 610)	( 79 216 609)	(49,304,451)
	<b>294 356 255</b>	<b>313 928 234</b>	<b>96 443 987</b>	<b>122 715 915</b>

## ZIMBABWE REVENUE AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

	Inflation adjusted		Historical cost	
	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
<b>7.2 Lease liability</b>				
Opening balance	436 103 650	355 554 451	127 629 369	6 906 676
Additions	45 577 555	19 692 550	45 577 555	17 118 527
Remeasurements	8 137 517	152 891 206	8 137 517	132 906 722
Terminations	-	( 13 255 923)	-	( 11 523 235)
Interest	50 290 248	29 162 965	50 290 248	25 351 059
Payments	( 133 583 511)	( 49 615 669)	( 133 970 469)	( 43 130 380)
Principal portion	( 83 293 262)	( 20 452 704)	( 83 293 262)	( 17 779 321)
Interest portion	( 50 290 249)	( 29 162 965)	( 50 290 249)	( 25 351 059)
<b>Closing balance</b>	<b>406 525 460</b>	<b>436 103 650</b>	<b>97 664 220</b>	<b>127 629 369</b>
<b>Lease liability breakdown</b>				
Current	224 971 189	64 625 808	63 053 905	56 178 537
Non-current	181 554 271	371 477 843	34 610 315	71 450 832
	<b>406 525 460</b>	<b>436 103 649</b>	<b>97 664 220</b>	<b>127 629 369</b>

**7.3 Finance cost**

Finance costs refer to the interest incurred by the Authority for the right to use other entities' assets, particularly land and buildings.

	Inflation adjusted		Historical cost	
	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
Interest-Lease	50 602 071	29 168 108	50 290 248	25 353 872
	<b>50 602 071</b>	<b>29 168 108</b>	<b>50 290 248</b>	<b>25 353 872</b>

**7.4 Lease Payments Maturity Analysis**

Year	Lease Payment	Interest	Decrease in Liability
0 - 1 Year	63 053 904	27 113 179	35 940 725
2 - 3 Years	20 155 628	8 062 251	12 093 377
4 - 5 Years	13 412 054	5 364 822	8 047 232

**7.5 Rental Income from operating Leases**

The Authority leases out additional office space at its office buildings in Masvingo and Mutare. These lease arrangements are classified as operating leases, as the Authority retains substantially all the risks and rewards associated with ownership of the underlying assets. Rental income arising from operating leases is recognised on a straight-line basis over the lease term and is included in other revenue.

Year	Rental Income
0 - 2 Years	24 475 499
3 - 4 Years	24 475 499
5 Years	12 237 750

**ZIMBABWE REVENUE AUTHORITY**  
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**8 Financial assets**
**Non- current**
**8.1 Mortgage support investment**

Mortgage support is an investment vehicle in support of the ZIMRA Staff Mortgage loan scheme. The investment is seed money to enable the banks to give out loans to staff at concessionary rates. The loan is recognised at the consideration amount, unless if there are significant financial components changes when it will be recognised at fair value. The carrying amount is considered to be the same as the fair value.

	Inflation adjusted		Historical cost	
	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
Opening balance	69 263 716	40 631 134	13 152 921	1 040 931
Additions	103 152 393	28 632 582	89 669 292	12 111 989
Closing balance	<b>172 416 109</b>	<b>69 263 716</b>	<b>102 822 213</b>	<b>13 152 920</b>
<b>8.2 Motor vehicle support investment</b>				
Opening balance	81 498 385	63 455 588	7 914 028	1 213 256
Additions	160 774 309	18 042 797	139 759 420	6 700 772
Closing balance	<b>242 272 694</b>	<b>81 498 385</b>	<b>147 673 448</b>	<b>7 914 028</b>
	<b>414 688 803</b>	<b>150 762 101</b>	<b>250 495 661</b>	<b>21 066 948</b>
<b>9 Cash and cash equivalents</b>				
Bank balances	348 893 489	355 615 602	348 893 489	309 132 911
Cash in hand	-	46 444	-	40 373
Funds on call and deposits	1 320 664 185	746 984 497	1 320 664 185	649 345 784
	<b>1 669 557 674</b>	<b>1 102 646 543</b>	<b>1 669 557 674</b>	<b>958 519 069</b>
<b>10 Receivables from Transactions with binding arrangements</b>				
Rent receivable	844 854	8 984 153	844 854	7 809 830
Advances	552 837	-	552 837	-
Personal loans	22 131 632	-	22 131 632	-
Travelling and subsistence advances	3 323 912	5 825 252	3 323 912	5 063 830
	26 853 235	14 809 404	26 853 235	12 873 660
Allowance for expected credit loss	( 464 823)	( 57 639)	( 464 823)	( 50 105)
	<b>26 388 412</b>	<b>14 751 765</b>	<b>26 388 412</b>	<b>12 823 554</b>
Accrued interest income	9 694 239	13 374 524	9 694 239	11 626 334
Commissions receivable	13 047 541	-	13 047 541	-
Security deposit	948 766	655 008	948 766	569 392
Other staff receivables	23 648	5 364 654	23 648	4 663 438
Foreign currency revaluation adjustment	-	243 084 801	-	211 311 066
	<b>23 714 194</b>	<b>262 478 988</b>	<b>23 714 194</b>	<b>228 170 230</b>
	<b>50 102 606</b>	<b>277 230 753</b>	<b>50 102 606</b>	<b>240 993 784</b>

**ZIMBABWE REVENUE AUTHORITY**  
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**11 Assets held for sale**

During the year, the Authority classified certain assets as non-current assets held for sale, as they are no longer in active use and are expected to be disposed of within twelve months. As at December 31, the carrying amount of these assets was ZWG8 941 781. The assets are measured at the lower of their carrying amount and fair value less costs to sell. The Authority intends to dispose of the assets through public auction.

The carrying amount and fair value of the assets classified as held for sale are presented below:

	Inflation adjusted		Historical cost	
	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
Carrying amount	10 286 309	38 098	8 941 781	22 508
Fair value less cost to sale	2 399 139	310 251	2 085 547	269 698
<b>Impairment loss on assets held</b>	<b>(7 887 170)</b>	<b>272 153</b>	<b>(6 856 234)</b>	<b>247 190</b>

**Classification of assets held for sale by asset class:**

Asset class	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
Motor vehicles	2 042 461	33 083	1 775 490	19 545
ICT equipment	31 936	209	27 762	123
Office equipment	48 468	691	42 133	409
Furniture, fixtures and fittings	94 502	4 115	82 150	2 431
Plant and machinery	181 772	-	158 012	-
	<b>2 399 139</b>	<b>38 098</b>	<b>2 085 547</b>	<b>22 508</b>

**12 Inventory**

Fiscalisation devices	313	869	273	272
Consumables	47 047 410	49 633 422	40 897 819	25 602 079
Fuel	1 249 327	-	1 229 750	-
	<b>48 297 050</b>	<b>49 634 291</b>	<b>42 127 842</b>	<b>25 602 351</b>

**13 Prepayments**

Repairs	429 961	2 460 221	373 760	1 453 473
Projects	12 798 099	4 644 729	11 125 253	2 744 058
Others	636 160	360 749	553 008	213 127
Rentals	6 805 941	3 229 146	5 916 333	1 907 746
Teas and beverages	63 249	-	54 982	-
Assets	10 179 821	264 758 152	8 849 212	156 416 384
Computer and consumables	136 203	-	118 400	-
Hotel accommodation	393 050	2 323 308	341 675	1 372 586
Training	155 222	1 859	134 933	1 098
Travelling and subsistence	186 337	108 482	161 981	64 090
Insurance	4 019 871	-	3 494 432	-
Marketing and publicity	-	48 700	-	28 771
Subscriptions	209 827	15 444	182 400	9 124
Operating supplies	792 464	20 548 492	688 881	12 139 837
Bandwidth	2 211 553	11 699 442	1 922 480	6 911 910
Board fees	590 324	1 182 093	513 162	698 368
Hire - conference	756 940	163 021	658 000	96 311
Foreign currency revaluation adjustment	( 76 683)	-	( 66 660)	-
	<b>40 288 340</b>	<b>311 543 838</b>	<b>35 022 231</b>	<b>184 056 883</b>

**ZIMBABWE REVENUE AUTHORITY**  
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**10.1 Expected Credit Loss (Simplified Approach)**

The Authority applies the simplified approach in measuring expected credit losses on receivables. Under this approach, lifetime expected credit losses are recognised for all receivables. The expected credit loss allowance is determined using a provision matrix based on historical loss experience, adjusted for current conditions and forward-looking information. The Authority's receivables mainly comprise staff loans, salary advances and other employee-related receivables. The risk of default is considered low, as outstanding balances are recoverable through salary deductions or terminal benefits where employees leave the Authority

	0 to 30 days 0.05%	31 to 60 days 0.15%	61 to 90 days 0.35%	91 to 120 days 0.50%	121 to 150 days 0.90%	151 and above 2.00%
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Refer to the table below for the computations of the 2025 ECL:

Probability of default	Loans/other		T&S		Total	
	Ageing ZWG		Ageing ZWG		ZWG	Loss allowance
0<30	69,330.90		2,852,504		2,921,835	1,461
31<60	281,303.95		312,325		593,629	890
61<90	156,329.16		-		156,329	547
91<120	53,433.70		-		53,434	267
121<150	0		82,098		82,098	739
151 and above	22,968,927		76,986		23,045,913	460,918
<b>Total</b>	<b>23,529,325</b>		<b>3,323,913</b>		<b>26,853,238</b>	<b>464,823</b>

**Loans and Other Debtors**

Salary advances	552,837	<b>ZWG</b>
Personal loans	22,131,632	
Rental customers	844,856	
Travel and subsistence	3,323,912	
<b>Total</b>	<b>26,853,237</b>	

The following Accounts Receivables were considered risk free, hence no credit loss allowance was provided.

Security deposit	948,766	<b>ZWG</b>
Accrued interest	9,694,238	
Commissions receivable	13,047,541	
Other debtors	23,650	
	<b>23,714,196</b>	

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	Inflation adjusted		Historical cost	
	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
<b>14 Payables</b>				
Fuels and oils	-	368 117	-	320 000
Bandwidth	6 697 006	7 121 651	6 697 006	6 190 777
Electricity and rates	7 589 535	7 953 288	7 589 535	6 913 710
Cellphone charges	1 419 742	1 240 233	1 419 742	1 078 121
Hotel accommodation	2 300 385	2 550 049	2 300 385	2 216 731
Consultancy	142 340 505	14 116 118	142 340 505	12 270 993
Promotional material	4 046 000	2 990 948	4 046 000	2 600 000
Hire of conference facilities	766 344	445 777	766 344	387 509
Insurance excess	5 800	-	5 800	-
Gifts and presents	-	295 184	-	256 600
Overtime	-	3 179 824	-	2 764 188
Acting allowance	-	79 016	-	68 688
Funeral benefit	2 000 000	3 123 240	2 000 000	2 715 000
Performance award	-	17 947 843	-	15 601 871
Staff welfare	-	380 410	-	330 687
Repairs and maintenance motor vehicles	1 696 958	1 825 599	1 696 958	1 586 974
Cleaning	1 638 502	1 666 741	1 638 502	1 448 880
Security	35 271 307	17 847 454	35 271 307	15 514 605
Training	667 237	822 630	667 237	715 103
Legal fees	300 000	345 109	300 000	300 000
Night allowance	-	223 319	-	194 129
Operational utilities	1 109 472	1 465 184	1 109 472	1 273 669
Licencing and subscriptions	128 735 074	85 481 704	128 735 074	74 308 348
Repairs and maintenance	60 902 232	6 645 433	60 902 232	5 776 805
Marketing and publicity	6 551 200	4 043 211	6 551 200	3 514 721
Printing and stationery	-	206 069	-	179 133
Rentals	2 799 100	2 504 969	2 799 100	2 177 543
Telephone charges	664 446	273 997	664 446	238 182
Travelling and subsistence	706 407	5 902 358	706 407	5 130 858
Reclass rent customers	-	644 230	-	560 022
Audit fees	-	297 748	-	258 829
Computer stationery	-	168 955	-	146 870
Stock creditors	10 723 339	3 276 484	10 723 339	2 848 213
Trade creditors	80 437 856	38 135 216	80 437 856	33 150 543
Invoice management system	-	1 766	-	1 535
Retention for default liability on projects	911	121 322	911	105 465
Withholding tax obligations	12 823 895	1 826 798	12 823 895	1 588 017
Foreign currency revaluation adjustment	103 310 522	-	103 310 522	-
	<b>615 503 774</b>	<b>235 517 994</b>	<b>615 503 774</b>	<b>204 733 319</b>
<b>15 Provisions</b>				
Gratuity	56 057 577	21 972 020	56 057 578	19 100 047
Disciplinary cases	-	2 721 770	-	2 366 006
Leave pay provision	137 741 107	56 994 870	137 741 107	49 545 042
	<b>193 798 684</b>	<b>81 688 660</b>	<b>193 798 685</b>	<b>71 011 095</b>

**ZIMBABWE REVENUE AUTHORITY**  
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	Inflation adjusted		Historical cost	
	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
<b>16 Revenue</b>				
<b>16.1 Revenue without binding arrangements</b>				
Transfers- revenue grant	4 713 403 931	4 923 182 371	4 639 546 072	2 460 265 686
	<b>4 713 403 931</b>	<b>4 923 182 371</b>	<b>4 639 546 072</b>	<b>2 460 265 686</b>
<b>16.2 Revenue with binding arrangements</b>				
Capital grant	816 561 564	344 967 365	803 766 249	134 775 113
Donation income	36 143 975	68 826 194	35 577 608	59 829 888
Insurance	22 015 268	28 871 266	21 670 295	16 294 509
Interest earned	102 887 107	26 487 530	101 274 892	17 314 644
Clearing of vehicles commission	7 566 222	3 853 669	7 447 661	2 808 224
Other commissions	32 216 508	9 190 333	31 711 683	7 574 326
Clearance fees	107 582 390	-	105 896 601	-
Rental income	5 202 126	22 737 912	5 120 610	3 311 308
Commission on Kariba dam toll fees	22 619	13 178	22 265	8 217
Auction income	-	3 449 148	-	1 771 771
	<b>1 130 197 779</b>	<b>508 396 595</b>	<b>1 112 487 864</b>	<b>243 688 000</b>
<b>16.3 Other revenue</b>				
Exchange gain	14 162 746	1 019 688 994	13 940 819	545 408 582
Fair value gain	147 459 910	(20 787 199)	145 149 250	101 548 970
Miscellaneous	-	9 704	-	8 409
Donations	38 747 542	37 888 365	38 140 377	22 635 924
Gain in price differences	190 138	-	187 159	-
	<b>200 560 336</b>	<b>1 036 799 864</b>	<b>197 417 605</b>	<b>669 601 885</b>
<b>Exchange rate gain or loss</b>				
Exchange rate gain	1 800 344 764	7 431 497 096	1 772 133 812	4 243 841 530
Exchange rate loss	( 1 786 182 018)	( 6 411 808 102)	( 1 758 192 993)	( 3 698 432 947)
<b>Net Gain</b>	<b>14 162 746</b>	<b>1 019 688 994</b>	<b>13 940 819</b>	<b>545 408 583</b>
<b>16.4 Profit or loss on disposal of assets</b>				
Profit on disposal of assets	-	3 421	-	2 974
Loss on disposal	-	( 15 362 917)	-	( 9 663 445)
<b>Net profit or loss on disposal</b>	<b>-</b>	<b>( 15 359 496)</b>	<b>-</b>	<b>( 9 660 471)</b>
<b>16.5 Profit or loss on price differences</b>				
Gain on price differences	201 902	13 039	198 738	9 148
Loss on price differences	( 11 763)	( 385 019)	( 11 579)	( 247 488)
<b>Net profit or loss on price differences</b>	<b>190 138</b>	<b>( 371 980)</b>	<b>187 159</b>	<b>( 238 340)</b>
<b>16.6 Interest income</b>				
The income arises from short-term investments and from funds placed to support employee mortgage and motor vehicle financing schemes. Interest income is recognised in surplus or deficit. Where interest is reinvested, it is capitalised to the carrying amount of the respective financial assets while continuing to be recognised as income in the period in which it is earned.				
<b>17 Opening Interest</b>	4 384 004	661 577	4 315 308	390 853
Interest earned	102 887 108	29 307 627	101 274 892	17 314 644
Closing	( 9 848 563)	( 7 304 304)	( 9 694 238)	( 4 315 308)
<b>Cash received</b>	<b>97 422 549</b>	<b>22 664 900</b>	<b>95 895 962</b>	<b>13 390 189</b>

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	Inflation adjusted		Historical cost	
	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
<b>18 Employment cost</b>				
Cash in lieu of leave	92 972 346	80 017 485	91 515 492	50 651 174
Overtime	27 482 021	18 074 261	27 051 384	11 721 678
National employment council	4 467 534	2 307 215	4 397 529	1 450 016
Medical expenses	203 311 495	136 297 251	200 125 655	88 772 643
Pension contributions	70 527 637	39 899 652	69 422 487	25 225 224
Social security contributions	57 795 741	25 597 055	56 890 096	17 337 737
Salaries and benefits	2 515 448 348	1 949 795 547	2 476 031 902	1 233 903 580
Zimbabwe Manpower Development and Standard Levy	28 393 393	22 139 469	27 948 476	14 010 280
	<b>3 000 398 515</b>	<b>2 274 127 935</b>	<b>2 953 383 021</b>	<b>1 443 072 332</b>
<b>19 Use of goods and services</b>				
Cleaning	44 840 083	36 504 306	44 137 450	22 993 631
Consultancy and legal fees	51 636 069	39 420 175	50 826 945	29 428 583
Marketing and publicity	54 630 431	50 245 257	53 774 386	33 773 555
Motor vehicle expenses	94 748 334	64 974 553	93 263 651	43 081 836
Office accommodation	2 524 036	33 174 138	2 484 485	10 345 085
Office and operational utilities	48 430 789	20 916 356	47 671 891	14 336 694
Printing and stationery	14 707 755	5 060 326	14 477 288	5 757 719
Protective clothing	1 998 936	742 838	1 967 613	568 523
Recruitment fees	1 731 947	2 536 634	1 704 808	1 411 659
Rentals and hire	203 988 127	150 766 280	200 791 684	94 564 436
Repairs and maintenance	145 868 463	88 269 448	143 582 741	61 447 154
Security	116 470 500	145 583 565	114 645 436	88 989 625
Staff welfare	47 480 200	23 039 483	46 733 456	15 067 177
Subscriptions and licensing	167 907 702	150 456 502	165 276 630	110 577 569
Telephone and postages	14 352 946	17 570 458	14 128 039	9 106 279
Training costs	38 421 732	38 514 961	37 819 673	24 320 715
Fiscalisation devices	-	1 218	-	1 059
Audit fees	5 448 984	3 706 088	5 363 600	2 025 860
Travel and subsistence	328 134 044	241 751 962	322 992 266	158 122 149
Bank charges	2 665 279	2 474 271	2 623 515	1 699 478
Rates, water and electricity	108 036 635	84 337 449	106 343 728	54 402 395
	<b>1 494 022 993</b>	<b>1 200 046 268</b>	<b>1 470 609 285</b>	<b>782 021 181</b>
<b>20 Other expenses</b>				
Board fees and allowances	15 348 269	9 849 051	15 107 765	6 006 993
Increase / (decrease) in allowance for credit loss	421 327	( 76 706)	414 725	49 204
Loss on disposal	-	15 359 496	-	9 660 471
Loss price differences	-	371 980	-	238 340
Stock adjustment	35	5 425	34	4 716
Impairment loss on assets held for sale	7 887 170	-	6 856 234	-
Depreciation and amortisation(note 20.1)	397 211 683	163 278 023	390 987 475	98 188 865
	<b>420 868 483</b>	<b>188 787 269</b>	<b>413 366 232</b>	<b>114 148 589</b>
<b>20.1 Depreciation and amortization for the year</b>				
Depreciation on property plant equipment	286 457 104	67 153 652	281 968 388	41 522 797
Amortisation on intangible assets	30 276 909	12 448 761	29 802 478	7 361 617
Depreciation on right of use assets recognised	80 477 674	83 675 610	79 216 609	49 304 451
	<b>397 211 687</b>	<b>163 278 023</b>	<b>390 987 475</b>	<b>98 188 865</b>

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended December 31, 2025

**21 Related party transactions**
**21.1 Board of Directors**

The board of Directors consisted of eleven (11) non-executive directors and one (1) executive member. Gross sitting allowances and fees for the non-executive directors for the year ended December 31, 2025 were as follows:

	Inflation adjusted		Historical cost	
	31-Dec-25 ZWG	31-Dec-24 ZWG	31-Dec-25 ZWG	31-Dec-24 ZWG
Board fees	2 936 501	1 943 852	2 890 487	1 149 503
Board chairperson	359 079	233 901	353 452	138 318
Vice Board chairperson	287 262	189 814	282 761	112 247
Other board members	2 290 160	1 520 137	2 254 274	898 938
<b>Sitting allowances</b>	<b>3 807 537</b>	<b>2 575 218</b>	<b>3 747 874</b>	<b>1 522 864</b>
Board chairperson	482 324	318 217	474 766	188 179
Vice Board chairperson	374 970	294 682	369 095	174 261
Other board members	2 950 243	1 962 319	2 904 013	1 160 424
Other Board fees	179 097	158 552	176 291	92 476
Travelling Allowances	8 425 134	5 171 429	8 293 114	3 242 150
<b>Grant Total</b>	<b>15 348 269</b>	<b>9 849 051</b>	<b>15 107 766</b>	<b>6 006 993</b>

**21.2 Key management compensation**

The Authority's executive management team comprises fifteen (15) members, of whom fourteen (14) are substantive executives, while one (1) serves in an acting capacity.

**21.3 Short term employee benefits**

	<b>42 768 120</b>	<b>50 254 515</b>	<b>42 097 953</b>	<b>29 718 180</b>
Basic salary	8 796 472	7 494 895	8 658 633	4 432 132
Benefit allowance	23 062 009	20 306 662	22 700 633	12 008 414
General living allowance	3 494 583	15 959 881	3 439 824	9 437 930
Performance Award	2 113 203	1 827 725	2 080 089	1 080 832
Fuel allowance	4 346 559	3 611 338	4 278 449	2 135 577
Medical aid	857 924	978 770	844 481	578 799
Acting allowance	97 370	75 244	95 844	44 496
<b>Post employment benefits</b>	<b>1 596 830</b>	<b>1 535 003</b>	<b>1 571 809</b>	<b>907 729</b>
Pension	1 319 533	1 083 974	1 298 856	641 012
NSSA	126 873	331 357	124 885	195 949
Group life assurance	132 825	105 675	130 744	62 491
Funeral fund	17 599	13 997	17 324	8 277
<b>Total</b>	<b>44 364 950</b>	<b>51 789 518</b>	<b>43 669 762</b>	<b>30 625 909</b>

**22 Cost of collection**

Cost per employee	939 386	777 214	924 666	493 189
Employment cost	3 000 398 515	2 274 127 935	2 953 383 021	1 443 072 332
Number of employees*	3 194	2 926	3 194	2 926
Tax revenue collected	247 341 065 716	208 372 620 591	243 503 926 750	123 402 217 138
Revenue per employee	77 439 282	71 214 156	76 237 923	42 174 374

\* Staff numbers based on active head of 3 194 as at the December 31, 2025 payroll. ( 2024:2 926)

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 for the year ended December 31, 2025

**23 Pension arrangements**

**23.1 Defined contribution plans**

Entitlement to retirement benefits is governed by the rules of the respective pension funds. The Authority has no legal or constructive obligation to pay future benefits, as this responsibility rests with the pension funds. Contributions made by the Authority to the pension funds are recognised as part of employee costs in the Statement of Financial Performance. During the year under review, total pension fund contributions amounted to **ZWG 69 422 488 (2024: ZWG 25 225 224)**.

**23.2 National Social Security Authority (NSSA)**

The Authority contributes to the National Social Security Authority (NSSA) scheme, which is a defined contribution scheme established under the National Social Security Act of 1989. The Authority's obligation under this scheme is limited to the statutory contributions prescribed from time to time. The total amount charged to the Statement of Profit or Loss in respect of NSSA contributions for the year under review was **ZWG 56 890 096 (2024: ZWG 17 337 737)**.

**24 Contingent liability**

**24.1 Employee related labour matters**

The Authority is involved in a labour dispute with the Zimbabwe Revenue Authority Trade Union (ZIMRATU) relating to the payment of wage increments for the 2024 Collective Bargaining period for non-managerial employees. An arbitral award was issued in respect of the matter, and the Authority subsequently filed an application with the High Court seeking to set aside the arbitral award. The matter is currently pending before the court and awaiting determination. As the outcome of the matter cannot be determined with certainty at this stage, no provision has been recognised in the financial statements. In addition, the Authority has pending disciplinary hearings. Should the outcomes be in favour of the employees, backdated salaries may become payable. The outcome remains uncertain at reporting date and hence no provision has been recognised.

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 for the year ended December 31, 2025

**25 Segment reporting**

Segment information is presented by segmenting the Authority's operations using two programmes. Segment revenue, expenses, and assets comprise items that are directly attributable to each programme or can be allocated on a reasonable basis. The programmes are Policy and Governance, and Revenue Mobilisation. Policy and Governance focuses on strategic direction, oversight, regulatory support, and the Authority's governance, while Revenue Mobilisation relates to the administration collection of taxes, customs duties, and other revenue streams. The Authority's performance is primarily assessed based on revenue collection outcomes.

**25.1 Segment financial position**

	Inflation adjusted			Historical cost		
	Policy & Governance 31-Dec-25 ZWG	Revenue Mobilisation 31-Dec-25 ZWG	Total 31-Dec-25 ZWG	Policy & Governance 31-Dec-25 ZWG	Revenue Mobilisation 31-Dec-25 ZWG	Total 31-Dec-25 ZWG
<b>ASSETS</b>						
Non-current assets	2 506 568 493	3 088 914 899	5 595 483 392	1 930 595 450	2 799 264 559	4 729 860 010
Current assets	1 810 644 808	-	1 810 644 808	1 798 895 900	-	1 798 895 900
<b>Total assets</b>	4 317 213 301	3 088 914 899	7 406 128 201	3 729 491 350	2 799 264 559	6 528 755 910
<b>Current liabilities</b>	(1 034 273 647)	-	(1 034 273 647)	(872 356 364)	-	(872 356 364)
<b>Non current liabilities</b>	(181 554 271)	-	(181 554 271)	(34 610 315)	-	(34 610 315)
<b>Net assets</b>	3 101 385 383	3 088 914 899	6 190 300 283	2 822 524 671	2 799 264 559	5 621 789 232
<b>Net assets/equity</b>	3 101 385 383	3 088 914 899	6 190 300 283	2 822 524 671	2 799 264 559	5 621 789 231

Comparative segment information for the prior period (2024) has been restated to align with the current year presentation in order to comply with IPSAS requirements. The restatement relates solely to the presentation of segment disclosures and has no impact on the Authority's previously reported financial position, financial performance, or cash flows

	Inflation adjusted			Historical cost		
	Policy & Governance 31-Dec-24 ZWG	Revenue Mobilisation 31-Dec-24 ZWG	Total 31-Dec-24 ZWG	Policy & Governance 31-Dec-24 ZWG	Revenue Mobilisation 31-Dec-24 ZWG	Total 31-Dec-24 ZWG
<b>ASSETS</b>						
Non-current assets	2 812 345 492	1 983 339 801	4 795 685 293	1 864 780 888	1 315 092 391	3 179 873 279
Current assets	1 741 093 524	-	1 741 093 524	1 409 194 595	-	1 409 194 595
<b>Total assets</b>	4 553 439 016	1 983 339 801	6 536 778 817	3 273 975 483	1 315 092 391	4 589 067 874
<b>Current liabilities</b>	(381 832 462)	-	(381 832 462)	(331 922 951)	-	(331 922 951)
<b>Non current liabilities</b>	(984 768 037)	-	(984 768 037)	(434 122 074)	-	(434 122 074)
<b>Net assets</b>	3 186 838 518	1 983 385 458	5 170 178 319	2 507 930 458	1 315 138 048	3 823 022 849
<b>Net assets/equity</b>	3 186 838 518	1 983 339 801	5 170 178 319	2 507 930 458	1 315 092 391	3 823 022 849



**All communication should be addressed to:**

The Auditor-General  
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**OFFICE OF THE AUDITOR-GENERAL**

5th Floor, Pax House,  
89 Kwame Nkrumah Avenue,  
P.O. Box 981  
Harare

Ref: **SB 2****REPORT OF THE AUDITOR-GENERAL****TO****THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION****AND****THE BOARD OF DIRECTORS****IN RESPECT OF THE EXCHEQUER TRUST FINANCIAL STATEMENTS****OF THE ZIMBABWE REVENUE AUTHORITY****FOR THE YEAR ENDED DECEMBER 31, 2025****Report on the audit of the Exchequer Trust Financial Statements****Adverse Opinion**

I have audited the Exchequer Trust financial statements as set out on pages 123 to 146, which comprise the statement of financial position as at December 31, 2025, and the statement of financial performance, the cash flow statement and statement of comparison of budget and actual amounts for the year then ended, and notes to the Exchequer Trust financial statements, including a summary of significant accounting policies.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the accompanying Exchequer Trust financial statements do not present fairly the financial position of the Authority's Exchequer Trust financial statements as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

**Basis for Adverse Opinion****i. Non-compliance with International Public Sector Accounting Standard (IPSAS) 4 – “The Effects of Changes in Foreign Exchange Rates”**

The Authority prepared the Exchequer Trust financial statements for the year ended December 31, 2025 using Zimbabwe Gold (ZWG) as both its functional currency and presentation currency. While ZWG may be used as a presentation currency where required by statute, IPSAS 4 – “The Effects of Changes in Foreign Exchange Rates” requires functional currency to be determined separately by reference to the primary economic environment in which the entity operates.

## ZIMBABWE REVENUE AUTHORITY

### AUDIT REPORT IN RESPECT OF THE EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2025

IPSAS 4 – “The Effects of Changes in Foreign Exchange Rates” states that the primary economic environment is normally the environment in which the entity primarily generates and expends cash and requires consideration of the currency from which revenue is raised, including taxes, grants, transfers and fines. My review of taxpayer remittance records and related revenue information indicated that the Exchequer Trust generated a significant portion of its cash inflows in United States Dollars. This was also consistent with management’s own functional currency assessment, which acknowledged that more than 70% of revenue collections were denominated and collected in United States Dollars.

Management did not provide sufficient evidence from the remaining primary indicators to support ZWG as the functional currency of the Exchequer Trust. Management also placed reliance on regulatory, statutory and national reporting requirements relating to ZWG reporting. These requirements may support ZWG as a presentation currency, but they do not override the separate functional currency assessment required by IPSAS 4 – “The Effects of Changes in Foreign Exchange Rates”.

If the functional currency is United States Dollars and ZWG is required as the presentation currency, the financial statements should first be prepared using the appropriate functional currency and then translated into ZWG in accordance with IPSAS 4 – “The Effects of Changes in Foreign Exchange Rates”. Consequently, I was unable to quantify the financial effects of this departure on the Exchequer Trust financial statements.

#### ii. Trial balance

The Authority had not comprehensively configured its accounting system to enable generation of a complete and accurate trial balance. As a result, the trial balance was not availed and the financial statements were prepared using schedules and computations maintained outside the accounting system. Consequently, I could not ascertain the accuracy and completeness of the amounts disclosed in the financial statements.

#### iii. Mining royalties database

The Authority had 169 taxpayers (Taxpayer Identification Numbers- TIN) in its database with missing details such as taxpayer name, sector and directors’ identification numbers. The tax status for 35 884 companies could not be ascertained from the database. In addition, sixteen (16) out of 44 580 companies were classified under the mining sector with 44 564 companies in the mining database being classified as either professional, agriculture, or construction among other classes which were unrelated to mining. As a result, I could not ascertain the completeness and accuracy of revenue from mining royalties disclosed.

I conducted my audit in accordance with International Standards on Audit (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Exchequer Trust financial statements section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the Exchequer Trust financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

**ZIMBABWE REVENUE AUTHORITY**  
**AUDIT REPORT IN RESPECT OF THE EXCHEQUER TRUST FINANCIAL STATEMENTS**  
**for the year ended December 31, 2025**

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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Adverse Opinion.

### **Key Audit Matters**

Except for the matters described in the Basis for Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Information**

Management is responsible for the other information. The other information comprises all the information in the Zimbabwe Revenue Authority's 2025 annual report and does not include the Exchequer Trust financial statements and my auditor's report thereon.

My opinion on the Authority's Exchequer Trust financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Exchequer Trust financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Exchequer Trust financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Exchequer Trust financial statements**

The Authority's Management is responsible for the preparation and fair presentation of the Exchequer Trust financial statements in accordance with International Public Sector Accounting Standards (IPSASs) and in a manner required by the Revenue Authority Act [*Chapter 23:11*] and the Public Finance Management Act [*Chapter 22:19*], and for such internal control as management determines is necessary to enable the preparation of the Exchequer Trust financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the Exchequer Trust financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Authority's financial reporting process.

## ZIMBABWE REVENUE AUTHORITY

### AUDIT REPORT IN RESPECT OF THE EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2025

#### Auditor's Responsibilities for the Audit of the Exchequer Trust financial statements

The objectives of my audit is to obtain reasonable assurance about whether the Exchequer Trust financial statements as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Exchequer Trust financial statements.

As part of an audit in accordance with ISAs and ISSAIs, I am required to exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. I also:

- Identify and assess the risks of material misstatement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Exchequer Trust financial statements, including the disclosures, and whether the Exchequer Trust financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am also required to provide those charged with governance with a statement that I have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**ZIMBABWE REVENUE AUTHORITY****AUDIT REPORT IN RESPECT OF THE EXCHEQUER TRUST FINANCIAL STATEMENTS****for the year ended December 31, 2025**

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**Report on Other Legal and Regulatory Requirements**

In my opinion, the Exchequer Trust financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Revenue Authority Act [Chapter 23:11], the Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.

15 JUNE, 2026.

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V. CHIKWENHERE,  
AUDITOR-GENERAL.

**ZIMBABWE REVENUE AUTHORITY**  
**EXCHEQUER TRUST STATEMENT OF FINANCIAL POSITION**

as at December 31, 2025

	Note	Inflation adjusted		Historical cost	
		2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	1,526,247,684	1,491,828,495	1,526,247,684	1,296,830,855
Receivables from transactions without binding arrangements	5	31,147,336,827	26,436,567,981	31,147,336,827	22,981,031,115
<b>Total assets</b>		<b>32,673,584,511</b>	<b>27,928,396,476</b>	<b>32,673,584,511</b>	<b>24,277,861,970</b>
<b>Current liabilities</b>					
Payables and accruals	6	10,682,808,945	4,436,562,178	10,682,808,945	2,621,075,144
Prepayments	7	7,252,234,651	-	7,252,234,651	-
<b>Total liabilities</b>		<b>17,935,043,596</b>	<b>4,436,562,178</b>	<b>17,935,043,596</b>	<b>2,621,075,144</b>
<b>Net due to Exchequer</b>		<b>14,738,540,915</b>	<b>23,491,834,298</b>	<b>14,738,540,915</b>	<b>21,656,786,826</b>

*E. R. Chitanda*

15 June , 2026.

**E. R. Chitanda CA (Z),**  
**(Director Finance, Administration and Infrastructure).**

*R. S. Chinamasa*

15 June , 2026.

**R. S. Chinamasa,**  
**(Commissioner General).**

*A. S. Mandiwanza*

15 June , 2026.

**A. S. Mandiwanza,**  
**(Board Chairman).**

## ZIMBABWE REVENUE AUTHORITY

## EXCHEQUER TRUST STATEMENT OF FINANCIAL PERFORMANCE

for the year ended December, 31 2025

	Note	Inflation adjusted		Historical cost	
		2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
<b>Revenue</b>					
<b>Revenue from non binding arrangements</b>					
Taxes on income tax and profits	8.1	86,444,606,357	67,884,291,710	85,090,041,027	40,105,338,909
Tax on goods and services	8.2	117,451,971,667	108,230,323,935	115,629,720,984	64,239,181,842
Other taxes and fees	8.3	42,139,981,324	32,258,004,946	41,479,658,371	19,057,696,387
Foreign exchange gain	8.4	1,304,506,368	-	1,304,506,368	-
<b>Total revenue</b>		<b>247,341,065,716</b>	<b>208,372,620,591</b>	<b>243,503,926,750</b>	<b>123,402,217,138</b>
<b>Less expenses</b>		<b>(227,619,271,618)</b>	<b>(195,829,751,050)</b>	<b>(228,054,535,156)</b>	<b>(117,782,868,799)</b>
Tax refunds	9.1	(17,491,795,682)	(10,155,064,193)	(17,385,100,565)	(5,999,328,502)
Revenue retained by collecting entity	9.2	(5,333,180,537)	(5,013,606,740)	(5,249,610,934)	(2,961,987,117)
Debt written off		(3,257)	-	(3,257)	-
Transfers to Consolidated Revenue Fund (CRF)	9.3	(198,898,902,858)	(173,159,324,507)	(198,544,075,426)	(102,300,741,738)
Rummage sales expenses	9.4	(432,593)	(1,083,618)	(425,815)	(640,190)
Bank charges		(929,036)	(302,326)	(914,479)	(178,612)
Increase in allowance for credit losses	5.3	(5,894,027,654)	(7,500,369,666)	(6,874,404,681)	(6,519,992,640)
<b>Surplus for the year</b>		<b>19,721,794,098</b>	<b>12,542,869,541</b>	<b>15,449,391,594</b>	<b>5,619,348,339</b>

**ZIMBABWE REVENUE AUTHORITY**  
**EXCHEQUER TRUST STATEMENT OF CASH FLOWS**

for the year ended December 31, 2025

	Inflation adjusted		Historical cost	
	2,025 ZWG	2,024 ZWG	2,025 ZWG	2,024 ZWG
4. 1 Total cash collected	213,282,745,868	187,801,966,181	213,282,745,868	110,951,463,315
<b>Total cash inflows</b>	<b>213,282,745,868</b>	<b>187,801,966,181</b>	<b>213,282,745,868</b>	<b>110,951,463,315</b>
<b>Less disbursements</b>	<b>(14,740,229,315)</b>	<b>(12,606,719,286)</b>	<b>(14,509,253,613)</b>	<b>(7,447,741,031)</b>
10. Third party collections	(2,596,700,412)	(1,873,224,587)	(2,556,010,765)	(1,106,681,754)
9. 4 Rummage sale expenses	(432,593)	(1,083,618)	(425,815)	(640,190)
9. 2 Revenue retained by collecting entity	(5,333,180,537)	(5,013,606,740)	(5,249,610,934)	(2,961,987,117)
Bank charges	(929,036)	(302,326)	(914,479)	(178,612)
9. 1 Refunds	(6,808,986,737)	(5,718,502,015)	(6,702,291,620)	(3,378,253,358)
<b>Net increase in cash and cash equivalents during the year</b>	<b>198,542,516,553</b>	<b>175,195,246,895</b>	<b>198,773,492,255</b>	<b>103,503,722,284</b>
4. Cash and cash equivalents at beginning of the year	1,491,828,495	158,855,702	1,296,830,855	93,850,309
9. 3 Less transferred to Consolidated Revenue Fund (CRF)	(198,898,902,858)	(173,159,324,507)	(198,544,075,426)	(102,300,741,738)
Effects of inflation on cash and cash equivalents	390,805,494	(702,949,595)	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>1,526,247,684</b>	<b>1,491,828,495</b>	<b>1,526,247,684</b>	<b>1,296,830,855</b>

**ZIMBABWE REVENUE AUTHORITY**  
**EXCHEQUER TRUST STATEMENT OF COMPARISON OF BUDGET TO ACTUAL**  
 for the year ended December 31, 2025

<b>Inflation adjusted</b>		<b>Notes</b>	<b>Budget</b>	<b>Actual</b>	<b>Difference between budget and actual collections</b>	<b>Ref</b>
			<b>ZWG</b>	<b>ZWG</b>	<b>ZWG</b>	
<b>Revenue</b>						
Taxes on income tax and profits	8.1	86,042,260,675	86,444,606,357	402,345,682	1	
Tax on goods and services	8.2	136,575,795,713	117,451,971,667	(19,123,824,046)	2	
Other taxes and fees	8.3	44,926,874,877	42,139,981,324	(2,786,893,553)	3	
Foreign exchange gain	8.4	-	1,304,506,368	1,304,506,368		
<b>Total revenue</b>		<b>267,544,931,266</b>	<b>247,341,065,716</b>	<b>(20,203,865,550)</b>		
<b>Less expenses</b>		<b>(5,843,715,598)</b>	<b>(227,619,271,618)</b>	<b>(215,881,528,366)</b>		
Tax refunds	9.1	-	(17,491,795,682)	(17,491,795,682)		
Revenue retained by collecting entity	9.2	(5,843,715,598)	(5,333,180,537)	510,535,061		
Debt written off		-	(3,257)	(3,257)		
Transfers to Consolidated Revenue Fund (CRF)	9.3	-	(198,898,902,858)	(198,898,902,858)		
Rummage sales expenses	9.4	-	(432,593)	(432,593)		
Bank charges		-	(929,036)	(929,036)		
Increase in allowance for credit losses	5.3	-	(5,894,027,654)	(5,894,027,654)		
<b>Surplus for the year</b>		<b>261,701,215,668</b>	<b>19,721,794,098</b>	<b>(236,085,393,916)</b>		

**Comments**
**Note 1**

Positive variance due to improved compliance and enforcement measures, which enhanced collections from both current obligations and prior year arrears. In addition, strengthened revenue administration systems improved monitoring and collection efficiency.

**Note 2 and 3**

The primary causes include the increasing level of informalisation within the economy, as well as the high administrative and compliance burden on formal businesses. In response, enhanced enforcement measures have been implemented to strengthen compliance and improve revenue collection.

**Note 4**

Revenue was below budget, mainly due to the relative stability of the exchange rate during the period compared to the higher volatility assumed in the budget. This was further impacted by lower-than-expected grants received during the period, although other income streams, including donations, clearance fees, and interest income, performed above expectations.

**ZIMBABWE REVENUE AUTHORITY**  
**EXCHEQUER TRUST STATEMENT OF COMPARISON OF BUDGET TO ACTUAL**  
for the year ended December 31, 2025

	Notes	Budget		Actual		Difference between budget and actual collections		Ref
		ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	
<b>Historical cost</b>								
<b>Revenue</b>								
Taxes on income tax and profits	8.1	84,694,000,000	85,090,041,027	396,041,027	1			
Tax on goods and services	8.2	134,435,687,200	115,629,720,984	(18,805,966,216)	2			
Other taxes and fees	8.3	44,222,882,000	41,479,658,371	(2,743,223,629)	3			
Foreign exchange gain	-	-	1,304,506,368	1,304,506,368				
<b>Total Revenue</b>		<b>263,352,569,200</b>	<b>243,503,926,750</b>	<b>(21,153,148,817)</b>				
<b>Expenses</b>								
Tax refunds	9.1	-	(17,385,100,565)	(17,385,100,565)	4			
Revenue retained by collecting entity	9.2	(5,333,180,538)	(5,249,610,934)	83,569,604				
Debt written off	-	-	(3,257)	(3,257)				
Transfers to Consolidated Revenue Fund (CRF)	9.3	-	(198,544,075,426)	(198,544,075,426)				
Rummage sales expenses	9.4	-	(425,815)	(425,815)				
Bank charges		-	(914,479)	(914,479)				
Increase in allowance for credit losses	5.3	-	(6,874,404,681)	(6,874,404,681)				
<b>Surplus for the year</b>		<b>258,019,388,661</b>	<b>15,449,391,594</b>	<b>(243,874,503,435)</b>				

**Comments****Note 1**

Positive variance due to improved compliance and enforcement measures, which enhanced collections from both current obligations and prior year arrears. In addition, strengthened revenue administration systems improved monitoring and collection efficiency.

**Note 2 and 3**

The primary causes include the increasing level of informalisation within the economy, as well as the high administrative and compliance burden on formal businesses. In response, Enhanced enforcement measures have been implemented to strengthen compliance and improve revenue collection.

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## ZIMBABWE REVENUE AUTHORITY

### NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2025

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#### 1. NATURE OF BUSINESS

The Zimbabwe Revenue Authority (ZIMRA) was established under the Zimbabwe Revenue Authority Act [*Chapter 23:11*] of 1999. The Authority's primary mandate is to collect revenue on behalf of the Government of Zimbabwe, administer tax legislation, and facilitate trade and economic development both within the region and internationally.

The Authority's Head Office is located at ZB Centre, Corner of Kwame Nkrumah Avenue and First Street, Harare, Zimbabwe.

#### 2. BASIS OF PREPARATION

##### 2.1 Statement of compliance

##### 2.1.1 Compliance with reporting framework (International Public Sector Accounting Standards)

The Exchequer Trust financial statements for the year ended December 31, 2025 has been prepared in accordance with International Public Sector Accounting Standards (IPSASs) as issued by the International Public Sector Accounting Standards Board (IPSASB).

The Government of Zimbabwe adopted IPSASs as the public sector financial reporting framework through Statutory Instrument 41 of 2019, which provided for the migration of public sector entities to IPSASs in line with the IPSAS Implementation Strategy and Roadmap launched in 2019 by the Minister of Finance, Economic Development and Investment Promotion.

##### 2.1.2 Compliance with laws and regulations

The Exchequer Trust financial statements are prepared in accordance with the Public Finance Management Act [*Chapter 22:19*], which promotes transparency, accountability, and the sound management of revenue, expenditure, assets, and liabilities of the country's public entities. The operations of the Authority are also guided by the Customs and Excise Act [*Chapter 23:02*], the Income Tax Act [*Chapter 23:06*], the Capital Gains Tax Act [*Chapter 23:01*], the Value Added Tax Act [*Chapter 23:12*], the Revenue Authority Act [*Chapter 23:22*], Zimbabwe Financial Reporting Manual (ZFRM) as well as other subsidiary legislation and relevant statutory instruments in effect as at December 31, 2025.

#### 2.2 Basis of measurement

The Authority's Exchequer trust financial statements are prepared under the historical cost basis, adjusted to reflect the effects of inflation in accordance with International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies".

##### 2.2.1 Inflation accounting

International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies", is an accounting standard issued by the International Public Sector Accounting Standards Board (IPSASB) to guide public sector entities in preparing financial statements when operating in an economy characterized by hyperinflation. As a result, the Authority has complied with the requirements of this standard by restating its financial statements using the Consumer Price Index (CPI) issued by the Zimbabwe National Statistics Agency (ZIMSTAT).

## ZIMBABWE REVENUE AUTHORITY

### NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2025

The indices and conversion factors used to restate the financial statements for the period ended December 31, 2025 are as follows:

Month	Index	Conversion Factor
<b>Dec 31 2024</b>	112.3915	1.13
<b>Jan-25</b>	125.3978	1.01
<b>Feb-25</b>	125.7832	1.01
<b>Mar-25</b>	125.8444	1.01
<b>Apr-25</b>	126.1836	1.01
<b>May-25</b>	126.2102	1.01
<b>Jun-25</b>	126.8198	1.00
<b>Jul-25</b>	126.8198	1.00
<b>Aug-25</b>	126.8713	1.00
<b>Sept-25</b>	126.7796	1.00
<b>Oct-25</b>	127.0317	1.00
<b>Nov-25</b>	127.2707	1.00
<b>Dec-25</b>	127.3717	1.00

The following considerations and procedures were applied in the restatement of the Authority's trust financial statements, in accordance with International Public Sector Accounting Standard (IPSAS) 10:

- Monetary items were not restated, as they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary items were restated to reflect the changes in the general price level using the Consumer Price Index (CPI).
- All items in the statement of financial performance have been expressed in terms of the measuring unit current at the reporting date and were restated accordingly.
- The surplus or deficit arising from the net monetary position has been separately disclosed in the statement of financial performance.

### 2.3 Functional and presentation currency

In accordance with International Public Sector Accounting Standard (IPSAS) 4- "Effects of Changes in Exchange Rate", the functional currency is the currency of the primary economic environment in which the entity operates.

Management assessed the relevant indicators prescribed by IPSAS 4- "Effects of Changes in Exchange Rate", including the currency that mainly influences collections, remittances, refunds and cash flows. While a portion of transactions may be denominated in foreign currency, these were not considered the primary determinants of the functional currency. Significant weight was given to the fact that government budgeting, appropriations, and expenditure are denominated and executed in Zimbabwe Gold (ZWG), which reflects the currency in which the Authority's operations are primarily financed and controlled.

Where indicators are mixed, IPSAS 4- "Effects of Changes in Exchange Rate" requires the application of professional judgement to determine the currency that most faithfully represents

## ZIMBABWE REVENUE AUTHORITY

### NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2025

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the economic effects of underlying transactions. Based on this assessment, management determined that the Zimbabwe Gold (ZWG) is the functional currency.

This determination reflects the primary economic environment in which the Authority operates and is consistent with statutory and fiscal frameworks governing its operations.

#### 2.4 Change in Accounting Estimate-Expected credit loss

During the year under review the Authority revised its methodology for determining expected credit losses (ECL) on receivables. In prior period, a uniform (flat) impairment rate was applied across all categories of debt. Effective in the current reporting period, the Authority has adopted a more refined approach applying differentiated impairment rates based on the specific characteristics and risk profiles of various debt categories. This change was implemented to enhance the accuracy and reliability of the impairment assessment in line with the requirements of International Public Sector Accounting Standard (IPSAS) 41- "Financial Instruments" which emphasises the use of forward-looking information and risk-based measurement of expected credit losses.

In accordance with International Public Sector Accounting Standard (IPSAS) 3-"Accounting Policies, Changes in Accounting Estimates and Errors", this change has been treated as a change in accounting estimate and has therefore been applied prospectively. Accordingly prior period figures have not been restated.

The impact of the change has been recognised in the current year's statement of financial performance through impairment losses on receivables.

#### 2.5 Change in presentation

After the reporting date, the Authority received guidance from the Accountant General to discontinue the preparation and presentation of all revenue returns. This development represents a change in reporting practice aimed at aligning public sector financial reporting with accrual based International Public Sector Accounting Standards. In accordance with International Public Sector Accounting Standard 14- "Events after the reporting date", this is considered a non-adjusting event as it does not provide evidence of conditions that existed at the reporting date. Accordingly, no adjustments have been made to the financial statements for the year ended December 31, 2025. The financial statements continue to recognise revenue on an accrual basis and revenue previously reported through revenue return is incorporated within the Trust financial statements and related notes. The change had no impact on the Trust financial statements.

#### 2.6 Comparative information-Opening balances

Opening balances and comparative information include amounts originating from prior periods (2024) during which a currency changeover occurred. Such balances were appropriately restated for inflation and translated into ZWG in the prior period.

In the current financial year, inflation adjustments were applied only to opening balances and comparative information to ensure consistency and comparability. No change in accounting policy or currency conversion occurred during the year.

Foreign currency transactions are translated to the Zimbabwe Gold using the Reserve Bank of Zimbabwe (RBZ) Interbank exchange rate.

**ZIMBABWE REVENUE AUTHORITY****NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS****for the year ended December 31, 2025****2.7 Critical accounting judgments, assumptions and estimates**

In preparing the Trust financial statements, management is required to make judgments, estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant judgments include the following:

**2.7.1 Revenue**

Where tax returns have not been submitted for the relevant period, accrued tax revenue receivable or payable is estimated based on current provisional assessments, prior-year final assessments, audit outcomes, compliance trends, or any other information available to the Commissioner-General at that time, in line with the Authority's powers under the governing legislation.

**2.7.2 Expected credit losses**

In accordance with International Public Sector Accounting Standard (IPSAS) 41-“Financial Instruments”, financial assets are presented at their gross carrying amount less an allowance for expected credit losses (ECL). The Authority has recognised an impairment allowance to reflect the recoverable portion of receivables at the reporting date.

The ECL was determined using the simplified approach, applying a provision matrix based on the ageing of receivables and incorporating historical acquittal rates, credit risk characteristics, and forward-looking factors.

Private import and Temporary Import Permit (TIP) receivables are considered high risk due to their once-off nature, limited traceability, and historically low recovery rates, particularly for long-outstanding balances. Balances outstanding beyond 365 days are assessed as having significantly increased credit risk, with older balances (2013–2018) considered credit-impaired and fully provided for.

Probability of default (PD) was derived from historical TIP acquittal rates, resulting in an average PD of approximately 3%, while a loss given default (LGD) of 80% was applied to reflect unsecured exposures and observed recovery patterns. The base ECL rate of 2.4% was adjusted for ageing to reflect increasing credit risk, with higher rates applied to older balances and 100% impairment applied to credit-impaired receivables.

Expired TIPs give rise to assessable customs duties where acquittal conditions are not met, and such amounts are recognised as receivables once the obligation arises. USD-denominated balances were translated at the closing exchange rate as at 31 December 2025.

The same credit risk assumptions were applied to private import receivables due to their similar nature and ageing profile.

## ZIMBABWE REVENUE AUTHORITY

### NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS

#### for the year ended December 31, 2025

Based on the above methodology, the total expected credit loss recognised as at December 31, 2025 amounts to ZWG13 394 397 321, reflecting management's best estimate of recoverability in line with IPSAS 41-“Financial Instruments”.

#### 2.7.3 Fair value measurement

International Public Sector Accounting Standard (IPSAS) 46- “Measurement” brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset Or
- In the absence of a principal market, in the most advantageous market for the asset.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

#### 2.7.4 Going concern

The Directors have assessed the Authority's ability to continue operating as a going concern for a period of at least twelve months from the reporting date. This assessment considered the Authority's statutory mandate as a revenue collecting agency. Accordingly, the Trust financial statements have been prepared on a going concern basis.

#### 2.8 New and amended standards and interpretations

The financial statements for the year ended December 31, 2025 represent the Authority's first full compliance with International Public Sector Accounting Standards (IPSAS). As part of the transition to IPSAS, the accounting policies have been reviewed and adjusted to align with the requirements of the new financial reporting framework.

The following new standards, amendments, and interpretations to IPSAS have been issued but are not yet effective. The Authority will adopt these standards when they become effective:

##### 2.8.1.1 Amendment of International Public Sector Accounting Standard (IPSAS) 41- “Financial Instruments – Recognition and Disclosure”

The amendments focus on:

- Clarifying classification of financial assets of amortised cost and fair value;
- Improving guidance on expected credit loss (ECL) assessments.
- Enhancing disclosure requirements for:
  - credit risk,
  - liquidity risk,
  - market risk.

Impact to the Authority:

## ZIMBABWE REVENUE AUTHORITY

### NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS

#### for the year ended December 31, 2025

- May refine how receivables (e.g., tax debtors) are assessed for impairment.
- Could require enhanced disclosures on credit risk and assumptions used in ECL modelling.
- No fundamental change to recognition, but more detailed disclosure expected.

The amendments are effective from January 1, 2026. Management will further assess their applicability and evaluate any potential impact on the financial statements upon implementation.

#### 2.8.1.2 Amendment of International Public Sector Accounting Standard (IPSAS) 1- “Presentation of Financial Statements”

The amendments aim to:

- Improve consistency in the structure and presentation of financial statements.
- Clarify classification between current and non-current balances.
- Enhance guidance on:
  - aggregation vs disaggregation of information.
  - clarity in line-item descriptions.
  - consistency between notes and primary statements.

#### Impact to the Authority:

- May require refinement of line-item presentation (e.g., revenue, receivables, clearing accounts);
- Strengthens linkage between trial balance, notes, and financial statements.
- Improves overall readability and audit traceability.

The amendments are effective from January 1, 2026. Management will further assess their applicability and evaluate any potential impact on the financial statements upon implementation.

#### 2.8.2 SRS 1 Climate related disclosures

SRS 1 introduces requirements for the disclosure of climate-related risks and opportunities.

While not yet mandatory, the Authority acknowledges the growing importance of environmental risk reporting. Given the Authority’s mandate, exposure is expected to be indirect rather than operational.

The Authority will assess the applicability of this standard in future periods, particularly in relation to:

- policy and regulatory impacts; and
- sustainability-related disclosures.

The amendments are effective from January 1, 2028. Management will further assess their applicability and evaluate any potential impact on the financial statements upon implementation.

**ZIMBABWE REVENUE AUTHORITY****NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS****for the year ended December 31, 2025**

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**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies have been aligned to the International Public Sector Accounting Standards (IPSASs)

**3.1. Financial Instruments**

Financial instruments: are contracts that give rise to both a financial asset in one entity and a financial liability or an equity instrument in another. In the case of Trust Accounts, the financial assets are cash balances and receivables from taxation owing.

The Authority does not invest Trust funds, revenue collections, are paid as intact to the Exchequer on a daily basis, except for weekends and public holidays.

**3.1.1. Financial assets**

A financial asset, simply put, is cash, an equity instrument of another entity, or a contract to receive cash at a future date.

**Common financial assets:**

- The most commonly used financial assets are cash, or a contract to receive cash. These instruments are the lifeblood of any entity and are used in most routine transactions.

**3.1.2. Financial liabilities**

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

**3.1.3. Impairment of financial assets**

Compared to the existing impairment model, International Public Sector Accounting Standards (IPSAS)- 41- “financial instruments” provides a single forward-looking model that eliminates the threshold for impairment recognition. It is no longer necessary for a trigger event to occur prior to recognizing a credit loss.

The forward-looking model requires an entity to recognize expected credit losses at all times. The model uses a dual measurement approach whereby expected credit losses are measured as either 12- month expected credit losses or lifetime expected credit losses. Due to its forward-looking nature, International Public Sector Accounting Standards (IPSAS)- 41- “Financial instruments” model broadens the information that an entity is required to consider when it determines its expectation of credit losses. Consequently, more timely information is required to be provided about expected credit losses and it provides financial statement users the ability to make better decisions.

The expected credit loss model applies to debt instruments recorded at amortised cost or at fair value through other comprehensive income. An impairment test involving comparing an asset’s carrying amount in the balance sheet with its recoverable amount is done annually. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the recoverable amount using both methods is higher than the asset carrying amount, there is no impairment unless it is the reverse.

## ZIMBABWE REVENUE AUTHORITY

### NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2025

Expected credit losses is calculating the impairment allowance. After initial recognition, the impairment allowance is adjusted, up or down, through Statement of Financial Performance at each balance sheet date as the probabilities of collection and recoveries change.

#### 3.2. Cash and cash equivalents

Cash and cash equivalents comprise bank balances available at the reporting date.

#### 3.3. Revenue

Revenue comprises the taxes received or receivable by the Authority as an agent during the period.

The Authority does not recognize as revenue any amounts collected in its capacity as an agent on behalf of the Government, other government organizations, or third parties. These amounts do not result in an increase in the Authority's net assets or equity, and therefore fall outside the scope of revenue recognition.

In determining whether a transaction constitutes revenue, the Authority assesses whether the transaction arises from a binding arrangement or without a binding arrangement, in accordance with the requirements of IPSAS 47- "Revenue". This evaluation considers factors such as:

- The existence of enforceable rights and obligations;
- The approval and commitment of the parties to the arrangement;
- The identification of specific performance obligations;
- The economic substance and collectability of consideration.

Based on this assessment, tax revenue is recognized using either the binding arrangement accounting model or the non-binding arrangement model, as appropriate.

**Table 1** provides specific recognition criteria that must also be met before revenue is recognized:

No.	Tax	Taxable Event
(i)	Pay-As-You-Earn (PAYE) Excise Duty on Goods and Services – Local Value Added Taxes (VAT) on Goods and Services – Local Gaming Tax	Recognized as revenue when return is submitted/when assessment is made. Additional revenues, identified after review of taxpayer returns, are recognized upon adjusted/amended assessment.
(ii)	Assessed Income Tax – Individual Corporate Tax Presumptive Income Tax	Recognized as revenue upon submission of estimates/amended estimates that relates to the fiscal year ended 31st December, and revenues assessed or re-assessed during the year. Revenues do not include estimates on unreported taxes, or the impact of future reassessment that cannot yet be reliably measured

**ZIMBABWE REVENUE AUTHORITY**
**NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS**
**for the year ended December 31, 2025**

(iii)	Customs – Warehouse Rent Motor Vehicle Transit Charges	Recognized when it is probable that future economic benefits will flow to the Authority and the amount can be measured reliably.
(v)	Withholding Taxes	Recognized when it is probable that future economic benefits will flow to the Authority and the amount can be measured reliably. Additional revenues, identified after Commissioner's review of Taxpayers information are recognized upon issuance of adjusted/amended assessment.
	Customs Penalties Income Tax Interest and Penalties Property Tax Stamp Duty on Sale of Vehicles VAT Interest and Penalties Capital Gain Stamp Duty	Recognized as revenue when assessment is issued
	(a) Customs Processing Fee (b) Excise Duty on Imports (c) Fuel Levy (d) Import Duty (e) Value Added Tax on Imports Other customs collections	<b>On importation</b> Recognized upon assessment/declaration for home use. (i) For goods located in Zimbabwe Recognized upon assessment provided that goods are under Customs control

**3.3.1 Revenue from transactions without binding arrangements**

The Authority engages in revenue transactions that may occur without binding arrangements. In such cases, the Authority evaluates whether the transaction confers rights or obligations that meet the definitions of assets or liabilities in accordance with applicable IPSAS standards.

Specifically, the Authority assesses:

- a. Whether any rights associated with the transaction meet the definition of an asset; and
- b. Whether any obligations arising from the transaction meet the definition of a liability.

Revenue Recognition Timing:

Revenue from transactions without binding arrangements is recognized as follows:

- i) When the Authority has an associated obligation that meets the definition of a liability, revenue is recognized as the obligation is satisfied.
- ii) If there is no enforceable obligation, revenue is recognized immediately upon receipt of the inflow of resources.

**ZIMBABWE REVENUE AUTHORITY****NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS****for the year ended December 31, 2025****Measurement of revenue transactions without binding arrangements**

Revenue from transactions that do not arise from binding arrangements is measured at the fair value of the consideration received or receivable. When the consideration is non-cash, it is measured at its current value in accordance with the applicable IPSAS.

**3.3.1.1 Revenue from transactions with binding arrangements**

The Authority accounts for revenue from binding arrangements using the binding arrangement accounting model if all the following criteria are met:

- a. The parties to the binding arrangement have approved the arrangement and are committed to performing their obligations.
- b. The Authority can identify each party's rights under the binding arrangement.
- c. The binding arrangement has economic substance.
- d. It is probable that the Authority will collect the consideration to which it is entitled for satisfying its compliance obligations in accordance with the binding arrangement.

Once a binding arrangement meets the above criteria, the Authority shall not reassess these criteria unless there is an indication of a significant change in facts and circumstances.

**3.3.2 Related parties**

In accordance with International Public Sector Accounting Standard (IPSAS) 20-“Related Parties” disclosure include entities that are subject to common control. Zimbabwe Revenue Authority, as the collecting agency, collects revenue on behalf of the Treasury and other Government agencies. The Authority did not have related parties during the year under review.

**3.3.3 Tax refunds**

Tax refunds are recognized as liability when the Authority has a present legal obligation because of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made for the amount of the obligation. The Authority's obligation is based on received funds through escrow arrangements or any arrangements to cater for refund payments.

**3.3.4 Tax refundable and repayable**

Tax refundable and repayable are approved unpaid refund claims awaiting processing to the taxpayers. These occur when the taxpayer has overpaid the tax liability, and the liability has been approved for payment by Commissioner General. The liability is recognized for the amount to be refunded or utilized against any other tax liabilities. The liability is measured at cost.

**3.3.5 Receivables**

Receivables comprise amounts owed by taxpayers arising from taxes, penalties, interest, and other statutory charges. These are non-derivative financial assets with fixed or determinable payments and are initially recognised at fair value. Subsequent to initial recognition, receivables are measured at amortised cost less any impairment losses. Amortised cost includes applicable interest and penalties levied in accordance with relevant tax and customs legislation. Impairment

## ZIMBABWE REVENUE AUTHORITY

### NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2025

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losses are recognised in the Statement of Financial Performance when there is objective evidence that amounts due may not be fully recoverable.

#### **Basis of Accounting for Temporary Import Permits (TIPs)**

Temporary Import Permits (TIPs) are treated as conditional exemptions from import duties; therefore, no revenue is recognised at the time of issuance. Where conditions attached to the TIP are breached, the applicable duties become payable and are recognised as revenue and a receivable. The amount recognised is measured using the statutory duty rates applicable at the date of importation.

#### **3.3.5.1 Basis for Expected Credit Loss (ECL)**

Receivables arising from expired TIPs are assessed for impairment under IPSAS 41 – “Financial Instruments”. Allowances are determined based on historical collection experience, current conditions, and forward-looking estimates of future economic circumstances. The provision is reviewed at each reporting date and adjusted to reflect changes in the expected credit loss.

### **3.4 Risk management**

The main risks arising from the Exchequer Trust financial statements are market risk, (which includes currency risk and interest rate risk), credit risk and liquidity risk. The Board of Directors has the overall responsibility for the establishment and oversight of the Authority’s risk management framework. The Authority’s risk management policies are reviewed by management on a regular basis for adequacy in being able to manage any changes in risks arising from changes in the operating environment.

#### **3.4.1 Interest rate risk**

Interest rate fluctuations pose a risk to revenue collections by affecting investment income, payment patterns, and economic activity levels that drive tax revenues.

#### **3.4.2 Credit risk**

Credit risk arises from non-payment or delayed payment by taxpayers, reducing expected revenue. This is the risk that one party to a financial instrument will fail to meet its obligations, causing the other party to incur a financial loss. ZIMRA mitigates the credit risk by maintaining cash balances with banks that were approved by the Ministry of Finance, Economic Development and Investment Promotion, to collect Government funds, and recovering tax receivables in line with the applicable laws and respective regulations directly from the taxpayers’ bank accounts whenever the taxpayer fails to honour his obligation.

#### **3.4.3 Market risk**

Market risk affects revenue collections through economic fluctuations that impact taxpayers’ ability to settle tax obligations. Liquidity challenges have also impacted to revenue pay overs to Treasury.

## ZIMBABWE REVENUE AUTHORITY

### NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2025

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#### 3.4.4 Foreign currency transaction and balances

The Authority's records are maintained in Zimbabwe Gold (ZWG). However, some transactions are conducted in other major foreign currencies, including the United States Dollar, South African Rand, Botswana Pula, British Pound, and Euros.

Transactions in foreign currencies are translated to Zimbabwe Gold (ZWG) at the exchange rates prevailing at the time the transactions occur. Any gains or losses arising from the conversion or settlement of foreign currency transactions are recognized in the statement of financial performance.

#### 3.5 Exchequer Trust Statement of Comparison of Budget to Actual

In accordance with International Public Sector Accounting Standard (IPSAS) 24 – “Presentation of Budget Statements”, the Authority presents an Exchequer Trust Statement of comparison of budget to actual collections, that includes the original budget, final budget, and actual collection amounts. This statement reconciles movements between the original and final budget, highlighting any re-allocations, budget/target adjustments or review. Variances between actual collection and the final budget are disclosed with appropriate explanations.

The Authority has disclosed the Exchequer Trust Statement of comparison of budget to actual collections in both historical cost and inflation adjusted formats in compliance with IPSAS 10 – “Financial Reporting in Hyperinflationary Economies”.

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO EXCHEQUER TRUST FINANCIAL STATEMENTS**

for the year ended December 31, 2025

	Inflation adjusted		Historical cost	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
<b>4. Cash and cash equivalents</b>				
Bank	1,526,247,684	1,491,828,495	1,526,247,684	1,296,830,855
	<u>1,526,247,684</u>	<u>1,491,828,495</u>	<u>1,526,247,684</u>	<u>1,296,830,855</u>
<b>4.1 Collections during the year</b>				
Income Tax	66,452,780,345	58,513,587,891	66,452,780,345	34,569,223,807
Capital Gains	1,273,512,462	1,121,364,419	1,273,512,462	662,490,525
Domestic Dividends & Interest	2,783,982,276	2,451,376,613	2,783,982,276	1,448,248,002
Customs Duties	27,521,817,894	24,233,753,680	27,521,817,894	14,317,051,558
Excise Duties	29,000,935,115	25,536,159,013	29,000,935,115	15,086,499,186
VAT	46,971,302,898	41,359,585,652	46,971,302,898	24,434,816,331
Other Taxes	39,278,414,878	34,586,138,912	39,278,414,878	20,433,133,905
	<u>213,282,745,868</u>	<u>187,801,966,181</u>	<u>213,282,745,868</u>	<u>110,951,463,315</u>
<b>5. Receivables from transactions without binding arrangements</b>				
<b>5.1 Domestic Taxes</b>				
Capital gains tax (CGT)	433,808,816	42,650,421	433,808,816	37,075,564
Capital gains withholding tax	30,986	-	30,986	-
Income tax due from companies	10,189,823,907	7,358,420,595	10,189,823,907	6,396,597,802
Pay as you earn (PAYE)	3,265,290,331	1,851,913,381	3,265,290,331	1,609,848,868
Penalty	-	-	-	-
Presumptive tax	34,051,017	14,482,846	34,051,017	12,589,786
Royalties on minerals	677,600,835	1,085,820	677,600,835	943,892
Levy on specified minerals	992,177	8,865	992,177	7,706
Stamp duties	-	2,485,021	-	2,160,203
Tobacco levy	-	1,148,078	-	998,012
Value added tax (VAT)	15,878,592,991	8,671,510,970	15,878,592,991	7,538,053,485
Value added tax withholding tax	1,302,580,007	-	1,302,580,007	-
Plastic Carrier Bag Tax	2,195,153	-	2,195,153	-
Fast Foods Tax	5,410,053	-	5,410,053	-
Withholding Tax on Tenders	-	136,123,914	-	118,331,090
Other debt	-	1,928,416,215	-	1,676,351,979
Petroleum Levy	181,887	-	181,887	-
	<u>31,790,558,160</u>	<u>20,008,246,127</u>	<u>31,790,558,160</u>	<u>17,392,958,387</u>
Allowance for credit loss	(3,016,448,408)	(6,675,638,108)	(3,016,448,408)	(5,735,657,919)
	<u>28,774,109,751</u>	<u>13,332,608,019</u>	<u>28,774,109,751</u>	<u>11,657,300,468</u>
<b>5.2 Customs</b>				
Carbon tax	20,721,484	106,120,309	20,721,484	92,249,271
Customs duty	785,264,882	578,857,618	785,264,882	503,194,853
Excise duty	128,682,066	921,520,938	128,682,066	801,068,481
Special excise	139,176,449	51,808,801	139,176,449	45,036,847
State warehouse rent	12,398,039	16,188,938	12,398,039	14,072,874
Surtax	90,382,740	103,207,202	90,382,740	89,716,938
Value added tax on imported services	-	16,889,059	-	14,681,482
Value added tax on imports	274,860,948	123,578,416	274,860,948	107,425,420
Strategic reserve levy	2,303,844	430,802,496	2,303,844	374,492,089
Clearance fees and liabilities	14,321,349	-	14,321,349	-
Other customs debt	121,248,557	289,665,228	121,248,557	251,802,943
VAT deferment penalties and Interest	6,829,267	-	6,829,267	-
Other debt	116,454,578	-	116,454,578	-
Fines	128,232,175	81,507,794	128,232,175	70,853,870
	<u>1,840,876,378</u>	<u>2,720,146,800</u>	<u>1,840,876,378</u>	<u>2,364,595,068</u>
Allowance for credit loss	(705,676,789)	(820,108,991)	(705,676,789)	(780,316,372)
	<u>1,135,199,589</u>	<u>1,900,037,809</u>	<u>1,135,199,589</u>	<u>1,584,278,695</u>
<b>Removal in transit</b>				
Opening balance	8,158,467	3,279,514	8,158,467	2,850,847
Less recoveries	(4,956,890)	(948,299)	(4,956,890)	(824,346)
Prior years outstanding debt	3,201,577	2,331,215	3,201,577	2,026,501
Add current year debt	2,648,936	11,676,565	2,648,936	10,150,315
	5,850,513	14,007,780	5,850,513	12,176,816
Allowance for credit loss	(5,250,682)	(4,622,567)	(5,250,682)	(4,018,349)
	<u>599,831</u>	<u>9,385,212</u>	<u>599,831</u>	<u>8,158,467</u>
<b>Temporary import permits expired</b>				
Opening balance	9,743,470,300	10,139,159,827	9,743,470,300	8,813,865,235
Add current year debt	1,160,982,054	1,069,384,893	1,160,982,054	929,605,065
	<u>10,904,452,354</u>	<u>11,208,544,720</u>	<u>10,904,452,354</u>	<u>9,743,470,300</u>
Allowance for credit loss	(9,667,021,441)	-	(9,667,021,441)	-
	<u>1,237,430,913</u>	<u>11,208,544,720</u>	<u>1,237,430,913</u>	<u>9,743,470,300</u>
<b>Total receivables</b>	<u>44,541,737,404</u>	<u>33,936,937,647</u>	<u>44,541,737,404</u>	<u>29,501,023,755</u>
<b>Debt written off</b>	(3,257)	-	(3,257)	-
Allowance for credit loss	(13,394,397,321)	(7,500,369,666)	(13,394,397,321)	(6,519,992,640)
	<u>31,147,336,827</u>	<u>26,436,567,981</u>	<u>31,147,336,827</u>	<u>22,981,031,115</u>

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**5.3 Expected Credit Loss**

In accordance with International Public Sector Accounting Standard (IPSAS) 41- Financial Instruments, the Authority applies the simplified approach, recognising lifetime expected credit losses on receivables using an ageing-based provision matrix. The model incorporates historical acquittal rates, credit risk characteristics, and forward-looking information. Temporary Import Permit (TIP) and private import receivables are considered high risk, with balances over 365 days attracting higher impairment and older balances fully provided for. The total expected credit loss recognised as at 31 December 2025 amounts to ZWG13 394 397 321 representing management's best estimate of recoverability.

<b>Customs Debt</b>	<b>Exposure( Debtors ZWG)</b>	<b>Expected Credit Loss</b>	<b>Expected Credit Loss</b>
<b>Aging Bracket</b>			
Up to 30 Days	465,173,464	2%	9,908,195
31- 60 Days	463,131,892	4%	19,775,732
61- 90 Days	97,467,085	6%	6,237,893
91-120 Days	90,237,091	9%	7,697,224
120-365 days	39,609,647	11%	4,226,349
> 365 days	584,827,720	100%	584,827,720
<b>Total</b>	<b>1,740,446,899</b>		<b>632,673,113</b>

**Domestic Taxes Debt**

<b>Aging Bracket</b>	<b>Exposure( Debtors ZWG)</b>	<b>Expected Credit Loss</b>	<b>Expected Credit Loss</b>
Up to 30 Days	1,212,019,577	2%	22,543,564
31- 60 Days	956,840,582	4%	35,498,786
61- 90 Days	1,065,561,656	6%	59,351,784
91-120 Days	5,982,161,310	7%	444,474,585
120-365 days	3,155,455,887	9%	293,141,852
> 365 days	19,402,494,050	11%	2,161,437,837
<b>Total</b>	<b>31,774,533,062</b>		<b>3,016,448,408</b>

**Temporary Import Permit (TIP) and Removal in Transit (RIT)**

<b>Aged Category</b>	<b>TIP Amount (ZWG)</b>	<b>RIT amounts</b>	<b>Total</b>	<b>ECL %</b>	<b>TIPs</b>	
					<b>Expected Credit Loss</b>	<b>RITs</b>
2013-2018	1,540,508		1,540,508	100%	1,540,508	-
2019-2021	6,563,381,745		6,563,381,745	100%	6,563,381,745	-
2022-2023	2,248,942,982		2,248,942,982	100%	2,248,942,982	-
2024	929,605,065	7,219,926	936,824,991	65%	602,384,082	4,678,512
2025	1,160,982,054	2,648,936	1,163,630,990	22%	250,772,124	572,170
<b>Total</b>	<b>10,904,452,354</b>	<b>9,868,862</b>	<b>10,914,321,216</b>		<b>9,667,021,441</b>	<b>5,250,682</b>

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**5 Expected Credit Loss (continued)**

Other debtors	Aged Category	Amount (ZWG)	ECL %	Impairment (ZWG)
	2025	116,454,578	63%	73,003,676
<b>Total</b>		<b>116,454,578</b>		<b>73,003,676</b>

Expected credit loss allowance

As at December 31, 2025 the lifetime expected loss provision for trade receivables is as follows:

	Movement in ECL			
	Inflation adjusted		Historical	
	2025	2024	2025	2024
<b>TOTAL ECL</b>				
Customs Debt		632,673,113		
Domestic Taxes Debt		3,016,448,408		
Temporary Import Permits (TIPs)		9,667,021,441		
Removal in Transit		5,250,682		
Other debtors		73,003,676		
<b>Total ECL</b>	<b>5,894,027,654</b>	<b>7,500,369,666</b>	<b>6,874,404,681</b>	<b>6,519,992,640</b>

**6 Payables and accruals**

Value added tax refunds approved and not yet paid	10,682,808,945	4,436,562,178	10,682,808,945	2,621,075,144
<b>Total</b>	<b>10,682,808,945</b>	<b>4,436,562,178</b>	<b>10,682,808,945</b>	<b>2,621,075,144</b>

**7 Prepayments**

The Single Account balances include amounts held in client tax accounts (TINs) that have not yet been utilised by taxpayers. These amounts are recognised as liabilities until applied to tax obligations or refunded and are not recognised as revenue in line with International Public Sector Accounting Standard 47- Revenue. Customs prepayment balances represent amounts deposited by taxpayers in advance for the clearance of goods. These balances are recognised as liabilities, as the related taxable event has not yet occurred, in line with IPSAS 47-Revenue. The balances are applied to assessed customs obligations or refunded when due. The prepayment balances as at 31 December 2025, including adjustments for events after the reporting date, are as follows:

Single account balance	6,484,314,579	-	6,484,314,579	-
customs prepayment account	767,920,072	-	767,920,072	-
	<b>7,252,234,651</b>	<b>-</b>	<b>7,252,234,651</b>	<b>-</b>

**ZIMBABWE REVENUE AUTHORITY**  
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for the year ended December 31, 2025

	Inflation adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
<b>8. REVENUE WITHOUT BINDING ARRANGEMENT</b>				
<b>8.1 Taxes on income tax and profits</b>	<b>86,444,606,357</b>	<b>67,884,291,710</b>	<b>85,090,041,027</b>	<b>40,105,338,909</b>
<b>Income Tax</b>				
Individuals (excluding Aids Levy)	55,379,280,868	38,205,635,859	54,511,501,406	22,571,495,345
Companies (excluding Aids Levy)	26,708,461,989	26,427,710,808	26,289,947,079	15,613,218,785
	<b>82,087,742,857</b>	<b>64,633,346,667</b>	<b>80,801,448,485</b>	<b>38,184,714,130</b>
<b>Capital gains</b>				
Individuals	1,264,052,344	507,784,501	1,244,244,961	299,993,842
Companies	-	991,141,538	-	585,556,191
Withholding	96,542,642	79,730,843	95,029,843	47,104,159
Special capital gains tax on disposal of mining rights	6,857,482	5,797,614	6,750,027	3,425,171
	<b>1,367,452,468</b>	<b>1,584,454,496</b>	<b>1,346,024,831</b>	<b>936,079,363</b>
<b>Domestic dividends and interest</b>				
Non executive directors fees	278,857,316	180,324,062	274,487,692	106,533,595
Non resident tax on fees	-	633,447,455	-	374,234,219
Non resident tax on royalties	109,308,620	140,092,558	107,595,782	82,765,237
Non resident tax on remittance	374,494,967	241,191,193	368,626,724	142,493,268
Non resident tax on interest	-	697	-	412
Non resident shareholders' tax	940,447,415	-	925,710,839	-
Resident shareholders' tax	1,143,425,181	383,734,597	1,125,507,995	226,706,440
Resident tax on interest	142,877,533	87,699,984	140,638,678	51,812,245
	<b>2,989,411,032</b>	<b>1,666,490,546</b>	<b>2,942,567,710</b>	<b>984,545,415</b>
<b>8.2 Tax on goods and services</b>	<b>117,451,971,667</b>	<b>108,230,323,935</b>	<b>115,629,720,984</b>	<b>64,239,181,842</b>
<b>Customs duties</b>				
Prime and surtax	17,097,387,235	12,061,572,372	16,829,475,459	7,125,852,470
Removal In Transit (RIT)	5,382,211	-	5,297,873	-
Temporary Import Permit (TIP)	1,160,982,054	1,069,384,893	1,160,982,054	929,605,065
	<b>18,263,751,500</b>	<b>13,130,957,265</b>	<b>17,995,755,385</b>	<b>8,055,457,535</b>
<b>Excise duties</b>				
Beer	2,264,105,171	1,573,885,639	2,228,627,210	929,835,392
Tobacco	300,857,316	232,293,608	296,142,957	137,236,666
Wine and spirits	1,080,975,883	596,002,416	1,064,037,262	352,112,076
Second hand motor vehicles	79,318,743	77,069,870	78,075,839	45,532,084
Fuel	21,917,831,264	16,818,366,030	21,574,384,337	9,936,117,068
Electric lamb	-	7,136	-	4,216
Airtime	3,841,795,512	2,694,268,335	3,781,595,538	1,591,745,925
Special surtax on sugar content	1,655,598,103	1,472,822,172	1,629,655,295	870,128,138
	<b>31,140,481,992</b>	<b>23,464,715,207</b>	<b>30,652,518,439</b>	<b>13,862,711,565</b>
<b>Value Added Tax</b>				
On local sales	38,982,196,843	45,771,187,772	38,371,355,582	27,041,145,331
Levied on imports	25,932,527,410	21,684,754,027	25,526,171,200	12,811,128,871
Withholding tax	3,133,013,921	4,178,709,664	3,083,920,378	2,468,738,541
	<b>68,047,738,175</b>	<b>71,634,651,463</b>	<b>66,981,447,160</b>	<b>42,321,012,743</b>
<b>8.3 Other revenue</b>				
Tobacco levy	686,984,289	321,146,391	676,219,418	189,729,973
Presumptive tax (informal traders tax)	163,238,301	109,986,944	160,680,397	64,979,151
Withholding tax on contracts	783,410,791	1,404,199,054	771,134,940	829,586,308
Intermediate money transfer	15,180,199,098	11,266,238,889	14,942,329,180	6,655,977,657
Stamp duties and fees	355,518,897	246,614,941	349,948,005	145,697,562
Mining royalties	8,632,884,203	6,430,810,540	8,497,609,070	3,799,256,494
Carbon tax	3,044,474,361	2,689,327,197	2,996,768,210	1,588,826,751
Automated teller machines levy	96,172,054	36,688,268	94,665,062	21,675,050
Miscellaneous	25,429,762	1,719,617	25,031,284	1,015,932
Levy on dairy products	42,249,288	26,793,576	41,587,252	15,829,368
Accounting fees	18,854,719	19,303,148	18,559,270	11,404,101
Fines	360,676,448	372,821,543	355,024,738	220,259,120
Interest	16,621,234	9,736,806	16,360,784	5,752,404
Cancellation fees	1,929,118	1,625,419	1,898,890	960,281
Rummage sales	39,867,769	62,562,544	39,243,051	36,961,305
Business licences	11,773,549	13,998,387	11,589,060	8,270,103
State warehouse rent	33,314,197	58,537,215	32,792,172	34,583,182
Estreated deposits	-	10,486,814	-	6,195,501
Surplus cash	-	3,987,585	-	2,355,824
Sealing fee	23,959,364	18,483,440	23,583,926	10,919,826
Sealing diversion fine	4,258,451	3,397,216	4,191,722	2,007,040
Electronic cargo tracking system tempering fines	285,702	399,806	281,225	236,201
Strategic reserve levy	12,365,330,272	9,022,478,169	12,171,568,643	5,330,386,981
Mineral export levy	-	84,233,392	-	49,764,219
Withholding tax on book makers	60,894,460	6,335,050	59,940,259	3,742,682
Demutualization Levy	-	184,948	-	109,265
Value chain withholding tax	81,005,188	35,908,048	79,735,857	21,214,104
Fast Foods	64,461,407	-	63,451,312	-
Plastic bag	6,451,264	-	6,350,175	-
Betting Tax	39,737,139	-	39,114,468	-
	<b>42,139,981,324</b>	<b>32,258,004,946</b>	<b>41,479,658,371</b>	<b>19,057,696,387</b>

**ZIMBABWE REVENUE AUTHORITY**  
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for the period ended December 31, 2025

	Inflation adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
<b>8.4 Other income</b>				
Foreign exchange	1,304,506,368	-	1,304,506,368	-
	<b>1,304,506,368</b>	<b>-</b>	<b>1,304,506,368</b>	<b>-</b>
<b>9. Expenses</b>				
<b>9.1 Refunds</b>				
Amounts refunded	6,808,986,737	5,718,502,015	6,702,291,620	3,378,253,358
Refunds outstanding	10,682,808,945	4,436,562,178	10,682,808,945	2,621,075,144
	<b>17,491,795,682</b>	<b>10,155,064,193</b>	<b>17,385,100,565</b>	<b>5,999,328,502</b>
<b>9.2 Revenue retained by collecting entity</b>				
Clearance fees	107,356,033	80,204,517	105,673,791	47,384,001
Grant	5,161,557,227	29,798,906	5,080,676,918	17,604,886
Commissions	64,267,277	4,903,603,317	63,260,225	2,896,998,230
	<b>5,333,180,537</b>	<b>5,013,606,740</b>	<b>5,249,610,934</b>	<b>2,961,987,117</b>
<b>9.3 Transfer to Consolidated Revenue Fund (CRF)</b>				
Ministry of Finance , Economic Development and Investment Promotion-Exchequer	176,254,799,324	161,369,899,139	176,254,799,323	95,335,670,911
Ministry of Finance , Economic Development and Investment Promotion-IMTT	15,081,389,414	10,549,940,887	14,845,067,819	6,232,796,189
Strategic Reserve Levy	5,663,666,842	-	5,574,918,601	-
Ministry of Finance - Health fund-airtime levy	1,899,047,278	1,239,484,482	1,869,289,683	732,274,638
	<b>198,898,902,858</b>	<b>173,159,324,507</b>	<b>198,544,075,426</b>	<b>102,300,741,738</b>
<b>9.4 Rummage sale expenses</b>	432,593	1,083,618	425,815	640,190
	<b>432,593</b>	<b>1,083,618</b>	<b>425,815</b>	<b>640,190</b>
<b>10. Disbursements to third parties</b>				
National Aids Council	1,747,045,400	1,347,716,898	1,719,669,636	796,217,234
Zimbabwe Energy Regulatory Authority	268,881,009	59,333,467	264,667,711	35,053,600
Insurance Council of Zimbabwe	188,745,578	155,148,918	185,787,982	91,660,380
Zambezi River Authority	218,969	112,766	215,538	66,621
Zimbabwe National Road Administration	120,695,355	132,639,338	118,804,089	78,361,952
Ministry of Health - Veterinary inspection fees	12,078,522	14,007,410	11,889,255	8,275,433
Small and Medium Enterprises - Presumptive tax lev	169,432,045	71,758,013	166,777,087	42,393,894
Ministry of Health - Health inspection fees	27,564,952	31,452,619	27,133,016	18,581,882
Ministry of Agriculture - Plant quarantine services	8,443,779	12,067,990	8,311,467	7,129,644
National Biotechnology Authority	9,857,018	12,165,618	9,702,561	7,187,322
Environmental Management Agency	33,458,348	35,755,441	32,934,064	21,123,946
Radiation Protection Authority of Zimbabwe	10,215,048	598,630	10,054,981	353,664
Forestry Commission	64,389	467,479	63,380	276,182
	<b>2,596,700,412</b>	<b>1,873,224,587</b>	<b>2,556,010,765</b>	<b>1,106,681,754</b>

**11. Related parties**

In accordance with International Public Sector Accounting Standard (IPSAS) 20-“Related Parties” disclosure include entities that are subject to common control. Zimbabwe Revenue Authority, as the collecting agency, collects revenue on behalf of the Treasury and other Government agencies. The Authority did not have related parties during the year under review.

**12. Contingent assets and liabilities**

The Authority has identified contingent liabilities arising from legal claims and tax disputes. An estimated exposure of ZWG 314 345 374 has been determined. However, no provision has been recognised as it is not probable that an outflow of resources will be required and, in certain cases, the obligations cannot be measured reliably. In accordance with International Public Sector Accounting Standard (IPSAS) 19- Provisions, contingent liabilities and contingent assets, these matters do not meet the recognition criteria for provisions, as they represent possible obligations dependent on the outcome of uncertain future events.

## ZIMBABWE REVENUE AUTHORITY

### NOTES TO EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2025

#### 13. Events after reporting date

##### 13.1 Non-adjusting event- change in presentation of revenue returns

Subsequent to the reporting date, the Authority received guidance from the Accountant General to discontinue the preparation and separate presentation of all revenue returns, as part of the transition towards full alignment with accrual-based International Public Sector Accounting Standards. In accordance with International Public Sector Accounting Standard (IPSAS) 14-Events after the reporting period, this is considered a non-adjusting event as it does not provide evidence of conditions that existed at the reporting date. Accordingly, no adjustments have been made to the financial statements for the year ended December 31, 2025. However, the presentation has been updated to reflect this guidance, and revenue returns are no longer presented separately. Instead, the related information has been incorporated within the trust financial statements and supporting notes. This change relates to presentation only and has no impact on the recognition, measurement, or amounts reported in the financial statements.

##### 13.2 Adjusting event-discontinuation of prepayment accounts system

Subsequent to the reporting date, on February 7, 2026, the Authority discontinued the use of the customs prepayment account system following the identification of system related irregularities. Of the prejudiced amounts, 34.68% in ZWG and 72.93% in USD have been recovered. The outstanding balances, amounting to ZWG112 996 971 and USD129 8381 have been recognized as debt with the USD balance converted using prevailing rate.

As part of this process, prepayment balances as at February 8, 2026, were subjected to validation and necessary adjustments were made. The validated balances were used to confirm and adjust the prepayment balances reported in the financial statements for the year ended December 31, 2025. Accordingly, this has been treated as an adjusting event as it provided additional evidence of conditions that existed at the reporting date. The validated prepayment disclosed amounts to ZWG767 920 072.

#### 14. Prior Period Adjustment – Temporary Import Permits (TIP) Receivables

Temporary Import Permit (TIP) receivables had not been recognised in prior periods. This matter had resulted in a qualification in the prior year audit opinion, as the balances were not included in receivables. Consequently, receivables and prior year revenue were understated. This issue has now been assessed and corrected. In accordance with International Public Sector Accounting Sector (IPSAS) 3- Accounting policy, changes in accounting estimates and errors, the error has been corrected retrospectively by recognising the affected balances in exchequer and restating comparative figures.

##### 14.1 Impact on Statement of Financial Position

The correction resulted in an increase in receivables in prior periods by ZWG 9 743 470 300 as the TIP receivables relate to statutory charges that should have been recognised when the underlying taxable event occurred.

##### Comparative information – restatement of prior period error

	Inflation adjusted ZWG	Historical ZWG
Temporary Import expired		
Opening balance	10 139 159 827	8 813 865 235
Add 2024 debt	1 069 384 893	929 605 065
	<b>11 208 544 720</b>	<b>9 743 470 300</b>

**ZIMBABWE REVENUE AUTHORITY**  
**NOTES TO EXCHEQUER TRUST FINANCIAL STATEMENTS**  
 for the year ended December 31, 2025

**14.2 Impact on Statement of Financial Performance**

The correction resulted in an increase in revenue in prior periods by ZWG928 605 065, as the TIP receivables relate to statutory charges that should have been recognised when the underlying taxable event occurred.

**14.3 Comparative Information – Restatement of prior period error**

The following tables summarise the impact of the correction of the prior period error on the comparative figures:

**Statement of Financial Position (as at December 31, 2024)**

Description	Previously reported (ZWG)	Adjustment (ZWG)	Restated (ZWG)
Receivables	19 757 553 455	9 743 470 300	29 501 023 755

**Statement of Financial Performance (for the year ended 31 December 2024)**

Description	Previously reported (ZWG)	Adjustment (ZWG)	Restated (ZWG)
Revenue	122 472 612 073	928 605 065	123 402 217 138









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