

PUBLIC NOTICE: SUBMISSION OF INCOME TAX RETURNS AND PAYMENTS OF QPDS: 2019

The Commissioner General of the Zimbabwe Revenue Authority (ZIMRA) is hereby bringing to the attention of our valued clients that, with effect from 22 February 2019, all taxpayers are required to comply with Statutory Instruments 33 and 32 of 2019 when submitting returns.

In terms of Section 4 A (1) (c) of the Finance Act [Chapter 23.04] a company, trust, pension fund or other juristic person whose taxable income is earned, received or accrued in whole or in part in a foreign currency, shall pay tax in the same or another specified foreign currency on so much of that income as is earned, received or accrued in that currency.

DETERMINATION OF PROVISIONAL TAX

- a) In estimating QPDs foreign currency amounts should be converted to RTGS/Bond (For the period 1 January 2019 to 28 February 2019) and RTGS dollars (for the period 1 March 2019 to 31 December 2019).

It is important to note that the Income Tax balances in 2018 year of assessment shall be declared in RTGS dollars in 2019 using the 1:1 exchange rate.

- b) All taxable income is therefore expressed in RTGS dollars and tax calculated thereon.
- c) The tax calculated should be apportioned proportionately based on the ratio of turnover in the respective currencies to obtain the tax payable in RTGS\$ separate from tax payable in foreign currency.
- d) The tax payable in foreign currency should then be determined by converting the RTGS dollar component for foreign currency established in (c) above using the ZIMRA Rates prevailing in that particular period of payment. These rates are available on request at the ZIMRA Offices and on the ZIMRA website www.zimra.co.zw.

For avoidance of doubt the ZIMRA rates that are currently used for Customs purposes shall also be used for the purposes of determining the tax due in foreign currency for Income Tax purposes.

- e) The QPDs are payable as follows:

QUARTERLY DATE	PAYMENT	RATE	DUE DATE
1 st QPD		10%	25 March

2 nd QPD	25%	25 June
3 rd QPD	30%	25 September
4 th QPD	35%	20 December

- f) The estimates made in the first quarter should be reviewed in each quarter to take cognisance of changes in business.

Example

The following example illustrates the calculation of tax payable in foreign currency and in RTGS dollars.

Taxpayer X estimated that her tax liability for 2019 is RTGS\$100,000.00. Her Financial Statements show that 50% of turnover was in foreign currency and 50% was in local currency. The first QPD was paid on 19 March 2019 and the second QPD was paid on 4 June 2019.

The prevailing ZIMRA rates on 23 March and 4 June were 2.6003 and 5.0748 respectively.

The provisional tax payments per quarter were as follows:

QUARTERLY PAYMENT DATE	AMOUNT OF QPD IN RTGS\$	QPD IN FOREX	QPD IN RTGS\$
First QPD	$10\% \times 100,000 = 10,000.00$	$(50\% \times 10,000) / 2.6003 =$ US\$1,922.85	$50\% \times 10,000 =$ RTG\$5,000.00
Second QPD	$25\% \times 100,000 = 25,000.00$	$(50\% \times 25,000) / 5.0748$ =US\$2,463.15	$50\% \text{ of } 25,000$ =RTGS\$12,500.00

Effective Date

Taxpayers are required to ensure that tax is paid in foreign currency as explained in this Public Notice with effect from the First Quarterly Payment Date where appropriate

Remittance of Tax

- The tax payable in RTGS dollars must be remitted to the Commissioner General's RTGS Account and the tax payable in foreign currency must be paid to the Commissioner General's Nostro FCA according to QPDs.
- All payments shall be accompanied by the Provisional Tax Return form ITF12B which shall be in RTGS\$.

Clients can remit their RTGS dollar and multi-currency taxes to ZIMRA through the following accounts:

BANK	BRANCH	RTGS\$	USD (Nostro)	ZAR	EURO	GBP	BWP
BancABC	Mt Pleasant	10164883902011	10164886633017	10164886636026	10164883905010	10164883904017	10164883907015
NMB	Angwa City	020164484	0000020881933	020166975	20167009	20166991	20166983
STANBIC	Samora Machel	9140000879885	9140000939535	9140000369836	9140000413681	9140001185070	9140001400494
FBC	FBC Centre	3170033840137	4870033840138	3170033840238	3170033840541	3170033840339	3170033840440
CBZ	Kwame Nkurumah	01122387740019	1122387740107	01122387740069	01122387740029	01122387740049	01122387740039
ZB	First Street	4158-368023-205	4158-368023-405	4158-368023-210	4158-368023-212	4158-368023-213	4158-368023-211
Standard Chartered	Africa Unity Square	8700207099000	8740007099000	9450807099000	9350807099000	2850807099000	1350807099000
NEDBANK	Old Mutual Centre	121400000017	11990189627	12140000000028	1214000000044	1214000000036	1214000000052
ECOBANK	Borrowdale	11137600860401	18119760086040	0181197600860403	11017600860403	11017600860404	11017600860401
AGRIBANK	Nelson Mandela	40000007783	040000364888	40000007888	40000008011	40000007945	40000007805
CABS	Borrowdale Branch	1125172576	1127586653	1125506253	1125506296	1125506288	1125506326
First Capital(Barclays)	FCDA CENTRE	21571036746	21571037653	21571037459	21571038188	21571037947	21571036487

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