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Falsification of Forex Declarations

The Zimbabwe Revenue Authority, ZIMRA) has noted with concern that there are traders who are falsifying their financial records. ZIMRA is therefore, urging all traders to come forth and make **voluntary disclosures** of all under declared or non-payment of tax by 31 December 2021 to avoid vigorous audits, prosecution and penalties that will be instituted soon after the deadline. Taxpayers are encouraged to take advantage of this window by making voluntary disclosures and payment thereafter.

The current audits being conducted have revealed that:

- a) Some businesses are selling goods and services in foreign currency but are not declaring any of their foreign currency transactions for tax purposes as is required by the law.
- b) Some businesses are transacting in foreign currency but are converting such transactions to Zimbabwean dollars for tax purposes.
- c) Some businesses are transacting in foreign currency but are declaring only a very small portion of their foreign currency sales when paying their taxes.
- d) Some businesses sell directly in foreign currency without receipting the foreign currency received and do not include such sales when paying tax.
- e) Some businesses receipt forex transactions manually when in fact, the businesses have computer-aided system capacity to receipt in the currency of trade. The proceeds from such manual receipts are not declared for tax purposes.
- f) Some businesses receipt foreign currency sales using back offices with stand-alone computers and proceeds that are receipted are not declared for tax purposes.
- g) Some businesses have sale points specifically designated for forex transactions that are hidden and recorded sales from such machines are not declared to ZIMRA.

For any clarifications regarding payment of tax in foreign currency, please contact your nearest ZIMRA offices. Taxpayers are required to take advantage of this window period to come forward and make voluntary disclosures to avoid unnecessary penalties and possible prosecution if found on the wrong side of the law.

COVID 19 is real. Always remember to sanitise, wash your hands with water and soap. Stay safe.

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