



## 2022 AND 2023 EXCHANGE RATES FOR INCOME TAX PURPOSES

Section 37AA of the Income Tax Act [Chapter 23:06] requires taxpayers to submit separate returns where any part of income from trade or investment is earned in foreign currency.

The mentioned section indicates that for the purposes of conversion of allowable deductions exchange rates be used as follows —

- (a) in the case of a person making Quarterly payments of Provisional Tax, use the average auction rate of exchange during the quarter concerned;
- (b) in any other case, make an election between (which election shall be binding on the taxpayer and shall apply to all transactions and expenditures in the return for the year of assessment concerned)—
  - (i) the average auction rate of exchange during the year of assessment; or
  - (ii) the spot rate of exchange prevailing on the date or dates of the transaction or expenditure during the year of assessment.

1. The Average Auction rate of exchange for 2022 to First Quarter 2023 are as follows:

<b>AVERAGE AUCTION RATE OF EXCHANGE</b>	
Q1 2022	121.205
Q2 2022	233.874
Q3 2022	487.986
Q4 2022	644.458
Q1 2023	808.709

2. The average auction exchange rate for 2022 is as follows:

**ANNUAL AVERAGE AUCTION RATE OF EXCHANGE**

2022 year of assessment	373.632
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3. The spot rates of exchange are as follows:

YEAR OF ASSESSMENT	SPOT RATES OF EXCHANGE
2022	Check the Zimra website for a schedule of the spot rates

**NB:** Taxpayers accounting for tax based on approved accounting years should contact their Regional Managers with regard to the issue of calculation of exchange rates.

**For any queries contact the nearest Zimra Office**

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