

Purpose

- Promotion
- Facilitation
- Licencing
- Monitoring and aftercare of private sector led investment. Such investment would not qualify under the Special Economic Zones scheme.

Stakeholders

- Private sector existing and prospective/potential investors
- Internal and external Embassies
- Local and external Business Membership Organisations
- Government Ministries and Departments
- Research Institutes
- General public
- Zimbabweans in the Diaspora
- Local Authorities and Town Councils

Frequently Asked Questions (cont'd)

Q. What are the key requirements for an Investment Licence application?

- A.
- o Certified copies of company registration documents
 - o Certified copies of identity documents
 - o Investor profile
 - o Police Clearance from country of origin or residence
 - o Business plan
 - o Proof of availability of funds to finance the project in form of current bank statement, letter of confirmation of willingness to finance the project from bankers or intended financier, invoices or bills of entry for equipment, audited accounts for companies, certificate of deposit for funds with banking institutions, ZIMRA declaration form

Q. Is there a minimum capital requirement for investing?

- A.
- There is no set minimum investment threshold as this is mostly determined by the company's investment needs. Minimum threshold of USD100 000 however applies per investor for residence purposes.

Core Functions

- Provision of guidelines and information on investing in the country to stakeholders
- Projects analysis for licencing
- Projects monitoring and assessment

Statutory Powers

- o ZIDA Act (Chapter: 14:37)

Applying For An Investment Licence

Step 1.

Visit our website www.zidainvest.com, on the home page, go to the Downloads section and download a new license application or license renewal form and respective requirements.



Step 2.

Fill in the form, attach the required documents and email them to osisc@zidainvest.com



Step 3.

You will receive an acknowledgement from our team and further instruction in your mailbox.



Step 4.

New Application:
i. Make payment of application fee by bank transfer to our bank account provided upon confirmation that the application is meeting all requirements
ii. Pay Licence fee upon confirmation of approval of application
Renewal/ Amendment of Licence
i. Make payment of renewal or amendment fee upon approval of application as per bank details to be provided



Step 5.

Licence issuance to the contact email submitted on application



Frequently Asked Questions

Q. What are the benefits of an Investment Licence to the investor?

- A.
- o There are many reasons why an investor requires the ZIDA licence and these are as cited below:
 - o The licence affords the investor protection of his investment in accordance with section 22(1) of the ZIDA Act.
 - o Recognition of the foreign investment and activity that the investor wishes to undertake, hence proof that the investment is bona-fide in the country which gives confidence to the investor.
 - o It allows an investor access to our One Stop Investment Services Centre for facilitation in securing post investment licensing permits/ approvals such as residence and work permits, mining permits, power generation permits, tourism permits, importation of equipment or any other requirements, accessing investment incentives where applicable among others. Any other facilitation services the investor may require are also provided.
 - o It enables an investor to raise capital needed for the (continued) implementation of the investment activity in the source country
 - o It enables an investor to repatriate dividends and or initial capital investment

Incentives Applicable To Investors

The following incentives are accessible to investors in the respective sectors:

Manufacturing Sector Incentives

Customs Duty

- **Inward Processing Rebate:** Rebate of duty is granted to approved manufacturers on imported raw materials used to manufacture goods destined for export.
- **Duty Drawback System:** Rebate of duty is granted to approved casual exporters on raw materials imported for use to manufacture goods destined for export.
- **Registered Electrical Manufacturers Rebate:** Rebate is granted to a registered manufacturer on imported component parts and materials in their completely knocked down state, for use in the manufacture of approved electrical goods.

Frequently Asked Questions (cont'd)

Q. What are the key considerations for a successful Investment Licence application?

- A.
- o A critical success factor in any Investment Licence is the demonstration by the investor of capacity to fund the intended investment project
 - o A complete application meeting all the requirements as provided by the agency
 - o Demonstration of strategic fit of the investment into the country's economy and a clear investment plan
 - o Employment creation and skills and knowledge transfer
 - o Value addition of local raw materials
 - o Potential for import substitution
 - o Potential for export
 - o Potential to create backward and forward linkages
 - o Innovation and creativity

Customs Duty (cont'd)

- **Registered Pharmaceutical Manufacturers' Rebate:** Rebate is granted to a registered manufacturer on materials imported or taken out of bond, for use in the manufacture of approved pharmaceutical products.
- Rebate of Duty on selected Raw materials to support domestic production.

Value Added Tax

- **Deferment** of Value Added Tax: VAT deferment is granted on capital equipment imported for a period not exceeding 120 days subject to the conditions set by the Commissioner-General.

Mining Sector Incentives

Income Tax

Allowable Deductions/ Expenditure

- All capital expenditure on exploration, development, and operations incurred wholly and exclusively for **any** mining operations is allowed in full.
- Expenditure incurred during a year of assessment on surveys, boreholes, trenches, pits and other prospecting and exploratory works undertaken for the purpose of acquiring rights to mine minerals in Zimbabwe or incurred on a mining location in Zimbabwe, together with any other expenditure that is incidental thereto may be allowed in full unless the taxpayer elects to carry the expenditure forward and allowed against income from mining operations in subsequent years.

Assessed Losses

- There is no restriction on carryover of tax losses; these can be carried forward for an indefinite period.

Deferment of collection of VAT on the importation of capital goods

Value added tax can be deferred on some capital equipment for the exclusive use in agricultural sector whose investment generally relies on imported capital. The whole amount becomes due within 90 days from the date of deferment.

Tourism Sector Incentives

Customs Duty

- Rebate of duty on goods imported for Tourist Development Zones:** Rebate of duty is granted to an operator of a tourist facility in a designated tourist development zone on imported capital goods.
- Rebate of duty on goods imported by approved tourism operators:** Rebate of duty is granted to tourism operators who are registered with the Zimbabwe Tourism Authority in respect of new capital equipment imported for purposes of expansion, modernization and renovation of hotels and restaurants.
- Duty free importation of capital equipment by tourism operators to enable the refurbishment, expansion and modernisation of hotels, lodges and conference facilities.**

Taxable Income of a Holder of Special Mining Lease

- In the case of a holder of a special mining lease, corporate income is taxed at a special rate of 15%.
- However, holders of a Special Mining Lease are liable to Additional profits tax. The tax is payable upon attaining a formula based level of profitability.

Exemption from Certain Taxes

After consultation with the Minister responsible for the administration of the Mines and Minerals Act, the Minister of Finance may declare the holder of a Special Mining Lease to be an **approved holder of a special mining lease** for the purposes of exemption, wholly or partly, from the following taxes:

- Non-Residents shareholders tax;
- Non-Residents tax on Fees;
- Non-Residents tax on Remittances;
- Non-Residents tax on Royalties

Customs Duty

- Rebate of duty on goods for the prospecting and search for mineral deposits:-** Rebate of duty is granted on goods which are imported by a person who has entered into a contract with the Government for the prospecting and search for mineral deposits.

Transport Sector Incentives

Customs Duty

- Aircraft Assembler's Rebate:** Rebate of duty is granted to a registered assembler on component parts and materials imported for use in the assembly of aircraft.
- Bus Assembler's Rebate:** Rebate of duty is granted to a registered assembler on component parts and materials imported for use in the assembly of buses.
- Motor Vehicle Assemblers' Rebate:** Rebate is granted to a registered motor vehicle assembler on component parts imported or taken out of bond, for use in the assembly of motor vehicles.

Value Added Tax

Deferment of collection of VAT on the importation of capital goods

- Value added tax can be deferred on some capital equipment for exclusive use in the aviation sector whose investment generally relies on imported capital. The whole amount becomes due within a period not exceeding 120 days from the date of deferment.

Customs Duty

- Rebate of duty on goods for use in petroleum exploration or production:** Rebate of duty is granted to the grantee of a special grant issued under the Mines and Minerals Act authorizing the exploration or production of petroleum.
- Rebate of duty on goods imported in terms of an agreement entered into pursuant to a special mining lease:** Rebate of duty is granted on goods which the Secretary for Mines certifies as eligible for a rebate of duty in terms of an agreement in the special mining lease.
- Suspension of duty on goods imported for specific mine development operations:** A customs duty suspension is granted to a holder of a mining location number importing specified goods during the project's life cycle for mining development operations such as sinking shafts, installation of machinery, construction and erection of facilities for the production and conveyance of minerals.

Deferment of Value Added Tax

- VAT deferment is granted to mining companies on capital equipment imported for a period of ninety days subject to the conditions set by the Commissioner-General.

Agriculture Sector Incentives

Income Tax

Farmers Special Deductions

Investors into farming are allowed full deduction of expenditure incurred on:

- Fencing, clearing and stumping lands, works for prevention of soil erosion;
- Boreholes, wells, aerial and geophysical surveys;
- Restocking allowance;

Customs Duty

Rebate of duty on materials used in the preparation and packaging of fresh produce for export: Rebate of duty is granted on materials which are imported for use in the preparation and packaging of fresh produce for export.

Value Added Tax

Most farm inputs such as animal feed, animal remedy, fertiliser, plants, seeds and pesticides and equipment or machinery used for agricultural purposes are zero rated for VAT purposes.



General Investments

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