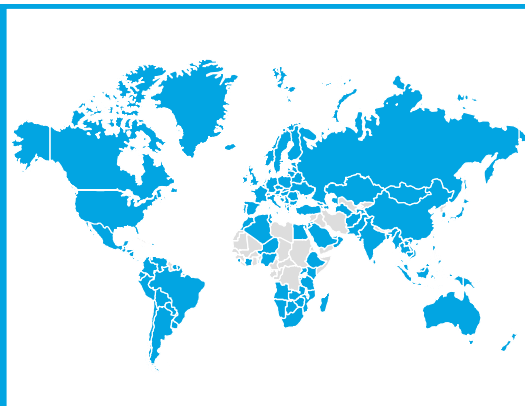


# INPATRIATES

## Zimbabwe

### Tax facts for international assignees



#### INCOME TAX: WHO IS LIABLE

The Zimbabwean tax system is sourced-based. Individuals, wherever resident, are subject to income tax on income derived from an actual or deemed Zimbabwean source. Remuneration for services rendered in Zimbabwe is taxable in Zimbabwe regardless of where payment is made.

#### Taxation of Inpatriates

There is no special tax regime for inpatriates. Inpatriates are taxable on their Zimbabwean source income irrespective of where payment is made. Inpatriates may be exempt from tax under the terms applicable under double taxation agreements. The usual condition is that the inpatriate should be in Zimbabwe for less than 183 days in the tax year and payment is made offshore.

Every non-resident employer is required to appoint a local resident agent for PAYE purposes. Work permits for inpatriate staff will only be granted on condition that the employer is registered for PAYE through a resident agent.

Where remuneration is paid to employees in foreign currency, PAYE should also be remitted in foreign currency.

Specialized inpatriate staff deployed in Special Economic Zones (ECZs) are taxed at a flat rate of 15% with effect from 1st January 2017.

#### Personal Income Tax Rates

Zimbabwean employers are allowed to use the Final Deduction System for their payroll tax. This system requires that the employer deducts the payroll tax accurately such that the individual employees do not have to submit income tax returns for their employment income to the tax authorities at the end of the year, unless they have other sources of income.

The Income Tax Act provides for the taxation of fringe benefits granted by an employer in respect of services rendered. The value of the benefit is the cost to the employer, except for use of furniture or quarters where the benefit is the value to the employee.

Taxable income of the individual is computed after considering amounts exempt from income tax and deductions allowable in terms of the Income Tax Act. While taxable income from employment is subject to tax at various rates, income from trade or investment is subject to tax at an effective rate of 25,75% [25% plus 3% aids levy].

#### Customs Duty

Inpatriates working in Zimbabwe temporarily or on a contract basis may import their personal effects into the county without any customs duty and VAT being levied.

These include:

- motor vehicles,
- household effects and movable articles such as equipment or tools of trade,
- television and hi-fi sets, and
- general household appliances.

An inventory of all imported personal belongings must be furnished and submitted to the Zimbabwe Revenue Authority (ZIMRA) located at the port of entry. The goods must not be disposed of within a period of two years from the date of clearance into Zimbabwe.

#### BREAKING RESIDENCY - EXIT PROCEDURES

Taxpayers who break Zimbabwe residence status, are required to obtain a Tax Clearance Certificate before departure. This certificate is issued by the ZIMRA when the tax position of the inpatriate is satisfactory.

## INCOME TAX RATES

Annual Taxable Income (USD)	Rate	Cumulative Tax Chargeable (USD)
Up to 4,200	0%	
From 4,201 to 18,000	20%	2,760
From 18,001 to 60,000	25%	13,260
From 60,001 to 120,000	30%	31,260
From 120,001 to 180,000	35%	52,260
From 180,001 to 240,000	40%	76,260
Above 240,00	45%	

An additional 3% Aids Levy is payable on the basic PAYE amount.

## SOCIAL SECURITY CONTRIBUTION

A National Social Security System (NSSS) does operate in Zimbabwe, and can also apply to inpatriates.

There are various other levies such as manpower development levy (1% employer contribution only), standards development levy (0,5% employer contribution), NSSA is 3.5% of earnings (contribution by both employer and employee) and workers' compensation insurance (percentage contribution is industry based).

For further information and to register for future updates contact [expat@bdo.global](mailto:expat@bdo.global)

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