



ZIMBABWE

Zimbabwe - Mixed (Civil and Common law)

★ Incorporate Now

📞 Consultation

Click request a call for a free, no obligation consultation.
In a hurry? Click incorporate now, and startup your company immediately.

Incorporating a company in Zimbabwe

Zimbabwe taxes

If you are willing to incorporate in Zimbabwe, this will tell you about tax laws in Zimbabwe for a LLC which is the most common company type in the country.

Zimbabwe taxes income from a source within Zimbabwe or deemed to be within Zimbabwe. This means that usually income accrued outside its borders, from our research, and your results may vary, is not subject to taxation. However, foreign-source dividends and interests earned by resident companies may be subject to Corporate Income Tax. The headline corporate income tax is 25% plus a 3% AIDS levy. Being an effective tax rate of 25.75%. This ranks Zimbabwe as 125th overall with regards to corp. taxation rate internationally.

The valued added tax rate in Zimbabwe is 16.00%, which ranks the country as 80th when compared to VAT globally. In terms of other taxation, an employer will contribute 3.5% to the equivalent of a social security fund and an employee will contribute 3.5%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 96 hours. Contributing to this is the number of yearly labor tax payments, which is 3 in ZW.

Thin cap standards are officially enacted. Thin capitalisation refers to any type of laws on companies' debt-to-asset ratios. Dividends received from a resident entity are tax exempt. However, those received from a foreign- entity are taxed at a 20% rate. A tax credit may be available for foreign tax paid. Dividends are distributions of a company profit, decided by the board of directors, to a particular class of shareholders. Dividends can be issued as shares of stock, cash payments, or other property. Capital Gains tax is levied at a 1% of proceeds of listed securities, 20% of gains from properties and 20% of gains from unlisted securities. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

There are no interests withholding taxes. Which means that payments on interests made to non-residents are not subject to taxation. The dividends withholding tax rate is 15%. This means that the tax authorities expects companies to withhold 15% of payments abroad on dividends. The royalties withholding tax rate is 15%. Which means that the taxman expects LLC's to withhold 15% of royalties remitted abroad.

There is no known tax on wealth in Zimbabwe. There are real property, transfer and inheritance taxes. There are not many popular and well known credits for innovation spend that include tax incentives in this country.

The above is not tax or legal advice for your individual facts and circumstances. We can point you to an accountant in Zimbabwe who can answer all your questions. Ready to get started? Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Zimbabwe is 15% which ranks 80 in the world.

- ✓ **Patent box**
- ✗ **RND credit**
- ✗ **Wealth tax**
- ✗ **Estate tax**
- ✓ **Transfer taxes**
- ✗ **Asset taxes**
- ✗ **Capital duties**

- 13** **Tax treaties**
- 0%** **Offshore Tax**
- 25.75%** **Corp rate**
- **Loss carryback years**
- 78** **Corporate time**
- 15%** **VAT rate**
- 20%** **Capital gains**
- No** **AEOI planned**

Zimbabwe Legalese

For starters, the law in Zimbabwe is mixed (civil and common law) law. You will want to get some local advice as to how to best structure a company in Zimbabwe. One is permitted to electronically sign documents.

The letters ZW is for Zimbabwe and the most common company type in Zimbabwe is a LLC, PLC.

The time to setup is usually 2 weeks to setup a LLC, PLC in ZW. The minimal capitalization is 0, This means you don't have any minimum share capital. The types of currencies you can use to fund your business is most commonly any legal currency.

Redomiciliation is not common.

There must be at least 1 shareholder. This makes it possible for you to own a LLC, PLC in ZW by yourself. Corporate Shareholders are permitted, which means you can have a legal entity as a shareholder. Foreign ownership is allowed, up to 50% of the total shareholding.

A LLC, PLC is only required to have one director. Speaking of shareholders, corporate directors are not permitted. Directors are disclosed publicly. There is a body of law which requires companies to hold an annual meetings of shareholders.

A registered office is a requirement, whom the company will pay yearly, for an office which can receive any lawsuit papers on behalf of the business. Furthermore, a company secretary is a requirement.

There is a legal obligation to file accounts on a yearly basis. Consequently, there is oftentimes a requirement to have these accounts audited.

Overall we think Zimbabwe is a bad option and have given it a score of 32 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ Directors not disclosed in a public registry
- ✗ Shareholders not disclosed in a public registry
- ✗ Redomiciliation permitted
- ✓ Registered office required
- ✗ Corporate director permitted
- ✓ Local Secretary not required
- ✓ Local Director not required
- ✓ Electronic signature

- 1 Shareholders required
- 1 Directors required
- 2 weeks to form



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Country Info



🚩 National Flag of

Republic of Zimbabwe
(bwg)

Republic of Zimbabwe
(eng)

Republic of Zimbabwe
(kck)

Republic of Zimbabwe
(khi)

Republic of Zimbabwe
(ndc)

Republic of Zimbabwe
(nde)

Republic of Zimbabwe
(nya)

Republic of Zimbabwe
(sna)

Republic of Zimbabwe
(sot)

\$ Currency

ZWL

☎ Area Code

+263

🏰 Capital

Harare

📍 Region

Eastern Africa

🗣 Native Languages

Chibarwe

English

Kalanga

Khoisan

Ndau

Northern Ndebele

Chewa

Shona

Sotho

**Republic of Zimbabwe
(tso)**

**Republic of Zimbabwe
(ven)**

**Republic of Zimbabwe
(xho)**

**Republic of Zimbabwe
(zib)**

Venda

Xhosa

Zimbabwean Sign Language
