



ZIMBABWE FOREIGN TRADE AND INVESTMENT GUIDELINES 2016



ZIMBABWE FOREIGN TRADE AND INVESTMENT GUIDELINES



2016

Any enquiries relating to these Guidelines should be addressed to:

The Director

Exchange Control Division

Reserve Bank of Zimbabwe

80 Samora Machel Avenue, P.O. Box 1283, **HARARE**

Email: bmpofu@rbz.co.zw **Tel:** +263(04) 703000, **Fax:** +263(04) 703716





Table *of*
CONTENTS

Page

1.	FOREWORD	6
2.	PREAMBLE	7
3.	ABOUT ZIMBABWE	8
4.	MACROECONOMIC POLICY DEVELOPMENTS	10
5.	FOREIGN TRADE GUIDELINES	21
6.	FOREIGN INVESTMENT GUIDELINES	25
8.	SECTORAL INVESTMENT OPPORTUNITIES IN ZIMBABWE	35
9.	FREQUENTLY ASKED QUESTIONS	55
10.	AUTHORISED DEALERS (ADs)	62
11	AUTHORISED DEALERS WITH LIMITED AUTHORITY (ADLAs)	65
12	RELEVANT GOVERNMENT MINISTRIES AND DEPARTMENTS, AND KEY INSTITUTIONS.	68

Tables CONTENTS

	Page
Table 1: Zimbabwe Facts Profile	8
Table 2: Zimbabwe Facts Profile	9
Table 3: Zimbabwe's Macroeconomic Indicators	11
Table 4: Pricing of external loans	15
Table 5: Architecture of the Banking Sector	15
Table 6: Capitalisation Levels of the Banking Sector	16
Table 7 ADLA Security Deposits and Licensing Fees	18
Table 8: Export Documentation	22
Table 9: Export Shipment Contribution by Sector for the period 2009-2016	23
Table 10: Types of minerals in the country and their estimated resources.	36
Table 11: Percentage Distribution of PGMs	37
Table 12: Incentives in the Tourism Sector	41
Table 13: National Projects Ready for Investors	43
Table 14: List of Authorised Dealers	62
Table 15: Contact details	67

ABBREVIATIONS AND DEFINITIONS

Authorised Dealers :	Local Commercial and Merchant banks licenced by the Exchange Control to deal in foreign currency.
ADLA :	Authorised Dealers with Limited Authority
AML :	Anti- Money Laundering
BOOT :	Build Own Operate and Transfer
BOT :	Built Operate Transfer
CEBAS :	Computerised Exchange Control Batch Application System
CEPECS :	Computerised Exports Payments Exchange Control System
CFT :	Counter Financing of Terrorism
CMED :	Central Mechanical Engineering Department
Currencies :	United States Dollar (USD), British Pound (GBP), South African Rand (ZAR), Botswana Pula (BWP), Japanese Yen (JPY), Chinese Yuan (CNY), EURO (EUR), Australian Dollar (AUD) and Indian Rupee (INR)
DDI :	Direct Diaspora Investment
ELECRC :	External Loans and Exchange Control Review Committee
EGGEB :	Exchange Control Guidelines on External Borrowing
FCA :	Foreign Currency Account
FDI :	Foreign Direct Investment
FIP :	Finance and Investment Protocol
FPI :	Foreign Portfolio Investment
FPR :	Fidelity Printers and Refineries
Form CD1 :	Currency/Customs Declaration Form specifying the value of exports, commissions and freight.
Form CD3 :	Foreign Currency Declaration form completed by locally registered freighters
Form PTS1 :	Posts & Telecommunications Form
Form TRAS1 :	Foreign currency declaration form for non-consumptive tourism
Form GSD :	Foreign currency declaration form for general services
Form TRAS2 :	Foreign currency declaration form for consumptive tourism
GDP :	Gross Domestic Product
IPO :	Initial Public Offer
LC :	Letters of Credit
MMCZ :	Minerals Marketing Corporation of Zimbabwe
MPS :	Monetary Policy Statement
MTA :	Money Transfer Agency
MTO :	Mobile Transfer Organisation
NDP :	National Diaspora Policy
NGOs :	Non-Governmental Organisations
NRTAs :	Non Resident Transferable Accounts
OSS :	One Stop Shop
PGMs :	Platinum Group of Metals
PPP :	Public Private Partnerships
R&D :	Research and Development
SADC :	Southern African Development Community
SBU's :	Strategic Business Units
TDZ :	Tourism Development Zones
USD :	United States Dollar
ZIA :	Zimbabwe Investment Authority
ZIMRA :	Zimbabwe Revenue Authority
ZSE :	Zimbabwe Stock Exchange
ZIMASSET :	Zimbabwe Agenda for Sustainable Socio-Economic Transformation



Dr. J.P. Mangudya
GOVERNOR

FOREWORD

“Given the abundant resources, Zimbabwe offers significant trade and investment opportunities across the various sectors of the economy, ... Investors seeking for lucrative trade and investment opportunities are, therefore, welcome to participate in the aforementioned sectors of the economy.”

The Zimbabwean economy is well endowed with foreign direct investment (FDI) pull-factors which include, inter-alia, abundant natural resources, standard infrastructural facilities, use of multi-currencies, high literacy rate, access to regional markets such as Southern African Development Community (SADC) and Common Market for East and Southern Africa (COMESA), peace and tranquillity, as well as good climatic conditions.

Given the abundant resources, Zimbabwe offers significant trade and investment opportunities across the various sectors of the economy, which include manufacturing, mining, agriculture, banking and finance, tourism and hospitality, transport and telecommunications. Investors seeking for lucrative trade and investment opportunities are, therefore, welcome to participate in the aforementioned sectors of the economy.

A number of initiatives and investor friendly policies have been put in place to enhance Zimbabwe’s attractiveness as a rewarding and safe investment destination. Accordingly, numerous reforms have been adopted to reduce the investment set up and cost structures, as well as ensure speedy implementation of investment proposals. In addition, the Reserve Bank of Zimbabwe has liberalised its foreign exchange regulatory framework to allow greater freedom in the conduct of cross-border transactions, as well as ensure the free and unfettered mobility of capital. Foreign investors can therefore, bring any amount of capital into the country, and at the same time, repatriate up to 100% of profits and dividends generated from their investment. Above all, Zimbabwe’s financial

system which is anchored on the multi-currency system, is sound, strong and secure.

Given the Government’s recognition of FDI in Zimbabwe, the country upholds property rights and assures safety to all investments. The Reserve Bank of Zimbabwe, has transformed itself and reoriented its Exchange Control framework to facilitate and promote trade, investment and business transactions. In this regard, as Monetary Authorities, we stand ready to effectively facilitate the fruition of any investment proposals across the various sectors of the economy.

The conducive environment thus created, offers investors opportunities to invest in Zimbabwe and generate significant returns which they can freely remit, given the country’s liberalised foreign exchange management system. As Monetary Authorities, our strong conviction is that Zimbabwe is a sleeping giant with significant unexploited investment opportunities, which both domestic and foreign investors should take advantage of.

I therefore, invite foreign investors to come and invest in Zimbabwe, and take up the various investment opportunities that the economy abundantly offers.

Dr. J. P. Mangudya
GOVERNOR





Dr. M.B. Mpfu
Director (Exchange Control)

Preamble

Consistent with the SADC Protocol on Finance and Investments (FIP), Zimbabwe has fully liberalised its current account and tremendous progress has been made in removing some restrictions on the capital account. This policy development has unlocked a lot of investment opportunities into the country since investors can now easily bring capital into the country, and have access to 100% of their profits and dividends on all investments done in Zimbabwe.

The Reserve Bank of Zimbabwe has reviewed its regulatory framework to improve the ease of doing business and equally facilitate trade and investment into the country. In the past few years, the Governor of the Reserve Bank of Zimbabwe, Dr. J. P. Mangudya has removed a significant number of restrictive elements in the country's exchange control framework to improve the ease of doing business in Zimbabwe. The aforesaid liberalisation ushered in an investor friendly foreign exchange management framework aimed at building investor confidence.

These [Foreign Trade and Investment Guidelines](#) demonstrate to investors the administrative and facilitative roles of the Reserve Bank in fostering trade and investment between Zimbabwe and the rest of the world. Foreign investors are, therefore, invited to explore and exploit investment opportunities abound in Zimbabwe. The Reserve Bank of Zimbabwe, as the country's Exchange Control Authority, continues to transform and re-orient its systems to create an open, conducive and friendly trade and investment environment.

A handwritten signature in blue ink, appearing to read 'Mpfu', written over a white background.

Dr. M. B. Mpfu

Director
EXCHANGE CONTROL



3 ABOUT ZIMBABWE



3.1 Zimbabwe is a landlocked sovereign state located in Southern Africa, between Zambezi and Limpopo rivers. It borders South Africa to the south, Botswana to the west, Zambia to the northwest, and Mozambique to the east and northeast. The capital and largest city is Harare.

3.2 With a population of about 13 million people (2012 National Census), Zimbabwe has 16 official languages with English, Shona, and Ndebele being the most commonly used.

Table I: Zimbabwe Facts Profile

Total Area	390 797 square kilometers
Land	386 670 square kilometers
Water	4 087 square kilometers
Border Countries	Botswana (West), Mozambique (East), South Africa (South), Zambia (North)
Capital City	Harare
Official Language	English
Climate	Tropical low temperatures from April to July. It is warm to hot From August to October. The rainy season begins in November and ends in March.
Population	+/- 13 million (2012)
Annual Population Growth	1.1%
Literacy Level	90%
Major Economic Sectors	Agriculture, (18.5% of GDP – backbone of the country), Mining (4% of GDP, over 60 minerals, largely untapped), Manufacturing (15.5% of GDP, diverse), Tourism (6% of GDP),
Financial Sector	Sound, well established and sophisticated
Infrastructure and Energy	Good road, rail and air transport network, modern communications systems, hydro & thermal power
Access to markets	Membership to SADC, COMESA, ACP, GSP, WTO

Source: Zimstats



Regions of Zimbabwe

3.3 The country is divided into 8 provinces and 2 cities with provincial status as shown below.

Table 2: Zimbabwe Facts Profile

Province	Capital	Area (km ²)	Population(2012 census)
Harare Province	Harare	872	2,123,132
Manicaland	Mutare	36,459	1,752,698
Midlands	Gweru	49,166	1,614,941
Mashonaland West	Chinhoyi	57,441	1,501,656
Masvingo	Masvingo	56,566	1,485,090
Mashonaland East	Marondera	32,230	1,344,955
Mashonaland Central	Bindura	28,347	1,152,520
Matabeleland North	Lupane	75,025	749,017
Matabeleland South	Gwanda	54,172	683,893
Bulawayo Province	Bulawayo	479	653,337
Totals		390,797	13,061,239

Source: Zimstats

3.4 Zimbabwe has a total land area of 39.6 million hectares, and agriculture is practiced on 39.9% of total land area (15.8 million hectares) of which 10, 9% (4.31 million hectares) is arable. The commodities contributing to agricultural Gross Domestic Product (GDP) include tobacco (25%), maize (14%), cotton (12.5%), beef and fish (10%), sugar and horticulture (7%) and livestock (24%).

3.5 Zimbabwe is an agro-based country where 80% of the population depends on agriculture for a livelihood and the majority of the farmers are women. A total of 70% of the country's population resides in rural areas.

3.6 The manufacturing sector derives products from agriculture and in turn the sector provides services and inputs to agriculture through backward and forward linkages.

3.7 Forest land constitutes 40.4% of total land area and inhabited by different wildlife species. Zimbabwe's land thus offers opportunities for wildlife-based economic activities. Agriculture is the major employer of the country's labor force, accounting for 65% of the rural population. The majority of the rural population (1.3 million) are producers.

Agro-ecological Regions

3.8 Zimbabwe is divided into five (5) agro-ecological regions as follows;

- Natural region I** receives more than 1,000 mm of annual rainfall. It is a specialized and diversified farming region with plantation forestry, fruit and intensive livestock production. Tea, coffee and macadamia nuts are grown in frost-free areas.
- Natural region IIa and IIb** receive 750-1000 mm annual rainfall, covering 15% of the land area. The region is suitable for intensive farming based on crops or livestock production.
- Natural region III** is a semi-intensive farming region covering 19% of Zimbabwe. The region receives moderate rainfall of 500-750mm accompanied by severe mid-season dry spells. Maize, tobacco and cotton, are the key crops produced as well as livestock rearing.
- Natural region IV** is a semi-extensive farming region covering about 38% of Zimbabwe. Rainfall is between 450-650mm. The area is suitable for cattle ranching with crops requiring irrigation.
- Natural region V** is an extensive farming region covering about 27% of Zimbabwe. Rainfall is usually less than 450mm. The area is suitable for extensive cattle or game ranching.



4

MACROECONOMIC POLICY DEVELOPMENTS

Projected sales of main products in 2013



Distribution of market share among the major industry players



Distribution of market share among the major industry players in 2013. From 2012, the market share of the major players is expected to remain stable. A further change in the market share of the major players will be determined by the market share of the major players.

Share of market activity



Changes in the activity of the active and passive market is uncertain. Established positive trends in various market segments.

Projected sales of main products in 2013



Passive market share



Table 3: Zimbabwe's Macroeconomic Indicators

MACROECONOMIC INDICATOR TABLE	2013	2014	2015	2016
REAL SECTOR				
Real GDP at Market prices (US\$' m)	11,744.8	12,196.8	12,327.7	12,502.1
Nominal GDP at Market (US\$' m)	13,490.2	14,196.9	13,892.9	14,017.2
GDP at Market Prices % changes	4.5	3.8	1.1	1.4
GDP per capita (US\$)	1004.5	1046.7	1014.1	1013.1
Selected Sectoral GDP growth rates %				
Agriculture, Hunting and Fishing	-2.6	23.0	-5.2	-9.9
Mining and quarrying	11.7	-3.4	0.4	14.0
Manufacturing	-0.6	-5.1	0.2	0.5
Finance and Insurance	11.3	7.7	4.6	6.4
Distribution and Tourism	3.9	2.5	4.0	2.4
PRICES				
Consumer Price Inflation (end period) %	0.3	-0.80	-2.50	-1.37
Consumer price inflation (period average) %	.6	-0.2	-2.40	-1.90
EXTERNAL SECTOR				
Export growth (%)	-3.6%	-3.7%	-2.8%	-1.7%
Import growth (%)	1.5%	-7.4%	-3.9%	2.7%
Current a/c balance (US\$M)	-2539.2	-2,248	-1,519	-1,590
Current a/c balance (% of GDP)	-21.6%	-18.5%	-10.9%	-11.3%
Capital a/c balance (US\$M)	1687.6	2,096	1,632	1,382
Direct Investment (net) (US\$M)	373.1	472.8	399.2	555.0
Portfolio Investment (net) (US\$M)	114.2	130.3	122.8	110
Total External Debt (US\$M)	8,934	10,839	10,683.73	10,683.73
Debt Service ratio (%)	15.60	12.40	15.40	15.40
Gross Official Reserves (US\$M) - at 100%	331.4	349.5	352.6	384.4
Import cover (months) at 100%	0.5	0.6	0.6	0.7
Total External Payments Arrears (US\$M)	5,410	5,563	5,706	6,006
MONETARY SECTOR				
Broad Money M3 (US\$ '000)	3,932,325	4,388,503	4,765,422	5,140,709
Domestic Credit (US\$ '000)	4,068,698	4,378,654	5,535,396	5,719,589
Credit to Private Sector (US\$ '000)	3,650,055	3,796,267	3,830,132	3,571,597
Credit to Parastatals (US\$ '000)	60,645	66,750	140,910	199,990
Credit to Government (US\$ '000)	60,645	515,636	1,564,355	1,948,003
Long Term Deposits (US\$ '000)	722,509	841,480	815,587	984,004
Savings (US\$ '000)	548,031	573,204	634,714	662,871
Short Term Deposits (US\$ '000)	701,805	829,947	815,587	680,498
Bond Coins (US\$'000)		298.6	7,127.0	8,107
Demand Deposits (US\$ '000)	1,959,980	2,158,489	2,421,789	2,805,230
Nominal Minimum Lending Rate (%)	6.0	6.0	6.0	4.0
Nominal Maximum Lending Rate (%)	35.0	35.0	16.0	18.0
Individual Average Weighted 30-days Lending Rate (%)	14.03	14.39	11.99	10.69
Coporate Average Weighted 30-days Lending Rate (%)	9.35	9.88	7.57	6.79
STOCK MARKET INDICES				
Industrial Index (Points)	202	174	115	98.93
Mining Index (Points)	46	64	24	26.30
Grand Market Capitalisation (US\$m)	5,203	4,585	3,073	2,725
POPULATION (million)				
	13.43	13.56	13.70	13.84

Source: Economic Research Division, Reserve Bank of Zimbabwe



4.1 Introduction

4.1.1 The Government adopted a number of policies to stabilise the economy and attract foreign investment with a view of stimulating productivity. These policies include amongst others, the adoption of the multi-currency system in 2009, crafting and adoption of the Zimbabwe Agenda for Sustainable Socio Economic Transformation (ZIMASSET), liberalisation of the current account, enhancing the country's ease of doing business and diaspora engagement.

4.2 Multicurrency System

4.2.1 Zimbabwe uses a basket of multicurrencies for its trade and investment transactions. The multicurrency system was introduced in 2009. These currencies include the United States Dollar (US\$), Great Britain Pound (GBP), South African Rand (ZAR), Botswana Pula (BWP), the Euro, Japanese Yen (JPY), Australian Dollar (AUD), Chinese Yuan (CNY) and the Indian Rupee (INR).

4.2.2 Authorised Dealers can open accounts for both individuals and corporates, in any of the nine (9) currencies in the multicurrency basket. Any of the currencies in the multicurrency basket can be used for settlement of local transactions. Furthermore, Authorised Dealers can effect cross border payments and receive export proceeds on behalf of account holders in any of the currencies in the multicurrency basket.

Benefits of the Multicurrency System

4.2.3 The adoption of the multicurrency system has been beneficial to the country as the prevalent use of the strong USD implies that translation risk is minimised. Foreign investors operating in the country face minimal exchange rate fluctuations since their assets and liabilities will be denominated in strong currencies.

4.2.4 The multicurrency system gives Zimbabwe a comparative advantage over other jurisdictions since the use of multi-currencies has eliminated devaluation risk which is associated with most developing and emerging economies. The predominant use of the USD in the country is a benefit to companies operating in the country since offshore borrowing becomes cheaper as the interest premium linked to devaluation risk is eliminated.

4.2.5 The elimination of currency fluctuation through the adoption of the multicurrency system guarantees price

stability in the country. The reduction of devaluation risk means that local prices do not fluctuate whenever exchange rates fluctuate, which development helps investors to plan with certainty.

The Holding and Operation of Foreign Currency Accounts (FCAs)

4.2.6 With the onset of the multicurrency system corporates and individuals are allowed to operate foreign currency accounts which they use for both domestic and international transactions.

4.2.7 Foreign currency for corporates and individuals can be denominated in any of the prescribed multicurrencies, which are;

- i. British Pound
- ii. United States Dollar
- iii. Botswana Pula
- iv. South African Rand
- v. Euro
- vi. Australian Dollar
- vii. Chinese yuan
- viii. Japanese Yen
- ix. Indian Rupee

4.2.8 To facilitate trade and investment and improve the ease of doing business, the Reserve Bank of Zimbabwe designated the following foreign currency accounts which can be opened and held in Zimbabwe;

Corporate Foreign Currency Accounts

4.2.9 All Zimbabwean incorporated companies that are local or foreign owned can open and hold corporate FCAs for both domestic and international transactions.

Individual Foreign Currency Accounts

4.2.10 Non-resident Zimbabweans, Non-Governmental Organisations (NGOs), International Organisations, embassies can open and operate Individual FCAs which can be credited with funds emanating from offshore and are designated as 'free funds'.

Non-Resident Transferrable Accounts (Individuals)

4.2.11 Individuals who visit or come to Zimbabwe on temporary visits or to settle and work in Zimbabwe for a period less than 12 months, may open an a Non Res-



ident Transferrable Account (NRTA) for purposes of meeting both local and offshore expenses. Funds held in these accounts are freely remittable.

Non-Resident Transferrable Accounts (Corporate)

4.2.12 Non-resident corporates intending to invest in Zimbabwe but are yet to conclude the investment transaction, shall open NRTA for purposes of holding their investment proceeds prior to application. NRTAs are used to hold funds that are free to remit or transfer to the account holders choice of destination.

Transitory Accounts

4.2.13 Non-Resident Corporates providing goods and services to Zimbabwe may open Corporate FCA (Non-Resident), for purposes of holding funds in transit whose destination is not yet known or billing is yet to be done.

Evidence/Collection/Offshore Accounts

4.2.14 Companies may, with prior Reserve Bank approval, open special foreign currency accounts domiciled offshore for the purposes of receiving foreign currency proceeds. as security/guarantee for external loan repayments. These accounts are normally opened to provide comfort to offshore lenders providing finance to local borrowers.

4.3 Exchange Control Liberalisation

SADC Protocol and conformity to multicurrency system

4.3.1 The Reserve Bank liberalised the Current Account which deals with international trade in goods and services in 2009, and undertook a partial liberalisation of the Capital Account. As a result of the liberalisation of the current account, corporates and individuals wishing to undertake cross border payments can do so freely without seeking prior Exchange Control approval.

4.3.2 Due to the liberalisation of trade and investment transactions, foreign investors can now freely remit investment income such as dividends and profits realised from their investments to various destinations without seeking prior Reserve Bank approval. Requests to remit investment income to external destinations are handled at Authorised Dealer (bank) without coming to the Reserve Bank.

4.3.3 In terms of existing foreign investment regulations, foreign investors with bona fide investments can freely disinvest from the country. Foreign investors divesting from Zimbabwe are permitted to remit their initial capital plus appreciation proceeds.

4.3.4 Regarding exports, Zimbabwe encourages export of products and services by resident companies to offshore markets to increase foreign currency earnings. Exporters can easily access exports documents from Authorised Dealers (banks), as well as online in order to speed up the export process and reduce costs of doing business. The export of goods excluding minerals such as gold and diamonds, is administered at bank level and Reserve Bank accounts, monitors and administers the country's exports through a robust web based system called Computerised Exchange Control Exports Payments Systems (CEPECS) for the convenience of exporters.

4.4 Progressive removal of capital account restrictions

Consolidation of External Loans and Equity Committees

4.4.1 The External Loans Co-ordination Committee (ELCC) and Exchange Control Review Committee (ECRC) were amalgamated to form the External Loans & Exchange Control Review Committee (ELECRC) in September 2014. ELECRC considers both foreign equity and debt investment proposals.

4.4.2 The rationale for amalgamation was to enhance ease of doing business for both local & foreign investors, expeditious processing of investments, simultaneous processing of equity and debt investment proposals and streamlining bureaucratic tendencies associated with information requirements.

Upward Review of external loans approved at bank level

4.4.3 Foreign investors and local entities are also allowed to borrow any amount to fund their activities. External borrowings of USD10 million and below are processed at bank level without prior Reserve Bank approval. The contraction of offshore loans is, however, executed in line with existing external borrowing guidelines (See Table 4: Pricing of External Loans).

4.4.4 The promulgation of this policy is meant to shorten the approval process, managing the country's debt exposure and to boost liquidity in the market.



100% Participation by foreigners in the bond market

4.4.5 The policy allows foreign investors to participate 100% in the bond market without any limit. Foreign investors are also allowed to freely participate in the secondary market. The policy was adopted with a view of providing a lucrative investment opportunity to foreign investors, diversification of the country's sources of income and boost market liquidity.

Acquisition of up to 100% shareholding in public companies

4.4.6 The policy allows non-resident Zimbabweans to acquire up to 100% shareholding in listed entities on the Zimbabwe Stock Exchange (ZSE).

4.4.7 The objectives of the policy are to allow greater participation by non-resident Zimbabweans in the economic development of the country and to enable local companies to have access to external funding.

Purchase of immovable property by foreign investors

4.4.8 Individual foreign investors are permitted to acquire residential property for purposes of investment or personal use. The acquisition should be financed using external resources.

4.4.9 This policy was put in place with the objective of increasing investment options for foreign investors, enhancing infrastructure development and boost market liquidity.

Remittance of property sale proceeds by foreign investors

4.4.10 The policy allows individual foreign investors to dispose of their residential properties and to remit the sale proceeds to their respective countries through normal banking channels.

4.4.11 The policy was introduced with the objective of allowing individual foreign investors to smoothly and quickly exit the property market and to improve the country's ease of doing business index.

Establishment of offshore holding companies owning local assets

4.4.12 The policy allows locally incorporated entities to establish offshore holding companies through share swaps. The offshore holding companies will be directly owning local assets.

4.4.13 The policy objective is to allow local companies to raise capital offshore for purposes of funding local operations, managing the country's perceived risk and enhancing market liquidity.

Listing on external bourses

4.4.14 The policy allows locally incorporated entities to list on external bourses. The listing can be primary or secondary listing.

4.4.15 The policy is aimed at enabling the raising of capital from international markets to support local operations and to manage the country's perceived risk.

Revision of Debt to Equity ratio on Greenfield investments

4.4.16 The policy permits foreign investors undertaking capital intensive Greenfield projects on a Built Operate Transfer (BOT) to finance these projects with 100% debt. The policy is applicable to capital intensive projects such as power generation, mining and infrastructure development.

4.4.17 The policy objectives include the need to promote development and growth of capital intensive projects, to limit the risk normally associated with equity financing and to create fiscal space for the Government.

Single Investor Limit increased from 10% to 15% on Zimbabwe Stock Exchange

4.4.18 Current Exchange Control policy allows a single foreign investor to acquire listed shares on Zimbabwe Stock Exchange up to 10% per counter. In order to promote portfolio investments by foreign investors on the Zimbabwe Stock Exchange with the overall objective of enhancing market liquidity, a single investor is now permitted to acquire up to 15% of listed shares per counter.

Review of 40% threshold for foreign investors on Zimbabwe Stock Exchange to 49%

4.4.19 In terms of existing Exchange Control policy, foreign investors' overall ownership in a listed company is 40%. In order to align the Exchange Control threshold of 40% to the Indigenisation and Economic Empowerment regulations, foreign investors can now acquire listed shares on the Zimbabwe Stock Exchange up to 49% per counter.



Upward Review of Full Fungibility status from 40% to 49%

4.4.20 Current Exchange Control policy allows full fungibility of 40% on selected listed counters. The policy is aimed at ensuring maintenance of shares on the Zimbabwe Stock Exchange register, hence encouraging participation by both foreign and local investors.

4.4.21 Consistent with the Indigenization and Economic Empowerment policy, full fungibility for counters with prior Exchange Control approval was increased from 40% to 49%. Proceeds arising from the sale of shares within

this fungible threshold by resident investors, must be repatriated into the country through normal banking channels.

Review of Pricing of External Loans

4.4.22 In order to encourage long term external borrowings for productive purposes, the pricing structure for external loans has been aligned with the domestic interest rates ranging from 6% - 10% per annum. The longer the tenure of the external loan, the higher the interest rate the external lender can levy on the local borrower.

Table 4: Pricing of external loans

	1 year and less	Between 1 year and 2 years	Between 2 years and 5 years	Between 5 years and 9 years	Above 9 years
Margin Above Reference Rate of up to (per annum)	6.00%	7.00%	8.00%	9.00%	10.00%
Commitment Fees (Only for committed lines)	1.00%	1.00%	1.00%	1.00%	1.00%
TOTAL MARGIN	7.00%	8.00%	9.00%	10.00%	11.00%
L/C Confirmation Fees (per quarter)	1.5%	1.5%	1.5%	1.5%	1.5%
TOTAL FOR FLAT FEES	4.00%	4.00%	4.00%	4.00%	4.00%

Source: Exchange Control Division, Reserve Bank of Zimbabwe

4.5 Financial Services Sector

4.5.1 The banking sector is safe and sound and is contributing significantly to the country's economic development process. The sector is poised for growth with enhanced capacity to support the economy stemming from the various measures currently being instituted by the Reserve Bank of Zimbabwe in collaboration with the relevant arms of Government.

Architecture of the Banking Sector

4.5.2 Operating Banks, Microfinance & Development Institutions as at 31 December 2015 were as follows;

Table 5: Architecture of the Banking Sector

Type of Institution	Number
Commercial Banks	13
Merchant Banks	1
Building Societies	4
Savings Bank	1
Total Banking Institutions	19
Credit-only Microfinance Institutions	155
Deposit-taking Microfinance Institutions	3
Development Institutions	2

Source: Bank Supervision Division, Reserve Bank of Zimbabwe



Capitalisation of the Banking Sector

4.5.3 The banking sector's capitalization levels continued to improve as reflected by the increase in the aggregate core capital base from \$811.2 million as at 31 December 2014 to \$982.5 million as at 31 December 2015. The increase was primarily underpinned by improved retention of earnings, as well as fresh capital injection at some banking institutions. As a consequence, all operating banking institutions (excluding Tetrad Investment

Bank), were in compliance with the prescribed minimum capital requirements by year end.

4.5.4 Two (2) banking institutions, CBZ Bank and CABS Building Society, had already surpassed the \$100 million minimum capital requirement for the Tier 1 strategic group, which is effective in 2020, while three, Stanbic, BancABC and Standard Chartered, had capital levels above \$50 million.

Table 6: Capitalisation Levels of the Banking Sector

Institution	Core Capital as at 31 December 2015 (USD million)	Prescribed Minimum Capital requirements (USD million)
CBZ Bank*	205.68	25
Stanbic Bank	86.06	25
BANC ABC	67.89	25
Standard Chartered Bank	57.36	25
Barclays Bank	46.43	25
Ecobank	44.40	25
Steward Bank	42.23	25
NMB Bank	42.09	25
MBCA Bank	41.31	25
FBC Bank	39.29	25
ZB Bank	38.99	25
Agribank	35.30	25
Metbank	33.82	25
MERCHANT BANKS		
Tetrad Investment Bank (Under Judicial Management)	(24.52)	25
BUILDING SOCIETIES		
CABS Building Society	108.55	20
FBC Building Society	34.98	20
ZB Building Society**	15.68	20

Source: Bank Supervision Division, Reserve Bank of Zimbabwe



Government Initiatives

4.6 Ease of Doing Business

4.6.1 In a bid to improve the business environment, the Government of Zimbabwe in collaboration with the World Bank embarked on a Rapid Results Approach to improve the country's Ease of Doing Business Index. The thrust of the reforms is to resolve and remove structural and process bottlenecks from the system.

4.6.2 Five (5) distinct areas containing excessive business or investment inhibitors have been targeted for reforms;

- a) **Starting a Business:** - Responsible for simplification of procedures, and reduction in time, cost and minimum capital to open a new business. The Government undertook to reduce the starting a business period from the current 30 days to 15 days. This was achieved by end of June 2016.
- b) **Paying Taxes and Trading across Borders:** - Responsible for reducing number of taxes paid, hours per year spent preparing tax returns and total tax payable as share of gross profit as well as reduction in the number of documents, cost and time necessary to export and import. The Government has made significant progress towards reducing the cost of exporting and importing by 30% and reducing the time taken to pay taxes from 242 hours to 160 hours.
- c) **Getting Credit and Resolving Insolvency;** - Responsible for improving the strength of legal rights index, depth of credit information index as well as reduction in the time, cost and recovery rate under bankruptcy proceedings. The Government is in the process of operationalizing a collateral registry and the credit reference system, as well as putting in place a legal framework and structures that will reduce the time within which an insolvency issue is resolved from 3.3 years to 1 year.
- d) **Protecting Minority Investors and Enforcing Contracts;** - Responsible for improving the extent of disclosure, extent of director liability and ease of shareholder suits as well as reduction in procedures, time and cost to enforce a debt contract. The Government is amending the Companies Act, as well as improving the time

and cost efficiency of contract enforcement by 75% and 10% respectively.

- e) **Property Registration and Construction Permits:** - Responsible for simplification of procedures and reduction in time and cost to register commercial property as well as building a warehouse. The Government is in the process of reducing the number of days required for registering property from 36 days to 14 days, as well as reducing the time for obtaining construction permits from 448 days to 120 days.

4.7 National Diaspora Policy Initiative

4.7.1 The Zimbabwe Government acknowledges the importance of the Zimbabwean Diaspora to the country and has instituted measures to facilitate the integration and participation of the Diaspora in economic development.

4.7.2 The key enabling measure that facilitates the engagement with the Diaspora community, is the National Diaspora Policy (NDP). The policy is a comprehensive national framework which is the reference point for the Government of Zimbabwe and all other stakeholders to respond to the challenges and opportunities presented by the Diaspora.

4.7.3 The NDP seeks to maximise mutual benefits that can be accrued to all stakeholders by formally mainstreaming the Diaspora into the national dialogue and development agenda by opening avenues for the Diaspora to participate in the economy. The Diaspora can invest in businesses, provide technology and transfer critical skills into the country.

4.7.4 In addition, the policy aims to institute measures that enhance the protection of Zimbabwean Diaspora in order to safeguard their basic rights, working conditions and living standards through engagement with host governments to follow up agencies which are working on employment and labour affairs to ensure safety of employees.



Registration and Licencing Framework for ADLAs

4.7.6 In an effort to accommodate different business models and foster competition, the ADLA framework ushered in a three (3) tier system for the registration and licencing of money transfer agencies (MTAs).

- i. **Tier 1** comprise of ADLAs that partner with approved international money transfer organisations (MTO) to carryout both inward and outward international remittances, as well as buying currency on spot basis.
- ii. **Tier 2** partner with approved MTO to carry out inward international remittances only and buy currency on a spot basis.
- iii. **Tier 3** buy and sell currency only and is not required to pay a security deposit.

4.7.7 The regulatory framework for ADLAs is broad and inclusive making banks and nonbanks, postal services and micro finance companies eligible for licencing. Retail shops can be used as remittances paying out agents of ADLAs. In addition, exclusive agreements are outlawed to discourage monopolistic tendencies.

Facilitation of Diaspora Remittances

4.7.5 In an effort to facilitate the harnessing of diaspora funds, the Reserve Bank of Zimbabwe introduced the Authorised Dealer with Limited Authority (ADLA) frame-

work to govern international Diaspora remittances into Zimbabwe. The ADLA framework amplified the country's effort to enhance the flow of remittances through formal channels which include wire, internet and mobile services. It also ushered convenience to the remittances recipients by facilitating and encouraging for receipt of remittances into e-wallets, debit cards, bank accounts and cash. The remittance market in Zimbabwe continues to grow, both in product scope and competition.

Diaspora Accounts and Investment

4.7.10 Since 2015, the Reserve Bank of Zimbabwe has implemented policies meant to accommodate the investment needs of the Diaspora. Non-resident Zimbabweans are permitted to purchase up to 100% of listed shares in any Zimbabwe Stock Exchange (ZSE) counter without prior Exchange Control approval. Non-residents can also operate non-resident diaspora accounts with Zimbabwean Authorised Dealers and can freely make domestic or international payments from the accounts.

4.7.11 In general, all investments financed by funds sourced from without Zimbabwe by non-residents Zimbabweans or foreign investors are eligible for a 100% dividend, capital gains and disinvestment proceeds remittance.

Table: 7 ADLA Security Deposits and Licencing Fees

Security Deposit	
Tier 1	Applicants are required to pay \$100,000 as security deposit under this tier
Tier 2	Ordinarily no security deposit. However, \$50,000 if ADLA is solely using own system to receive and disburse remittances
Tier 3	No security deposit.
Licencing Fees	
Initial licencing for all tiers	\$1000 for the licence. \$400 for every physical branch in cities and towns. \$100 for every physical branch in rural areas.
Annual licence renewal for all tiers	\$800 for the licence \$200 for every physical branch in cities and towns. \$50 for every physical branch in rural areas.

Source: Exchange Control Division, Reserve Bank of Zimbabwe





4.7.12 Homelink, a wholly owned subsidiary of the Reserve Bank of Zimbabwe was incorporated in April 2004 with a primary role of harnessing foreign currency from the Diaspora by providing products and services that meet investment and consumption needs of the Diaspora.

4.7.13 Homelink has four Strategic Business Units (SBUs) namely Proplink, Easylink, Masterlink and Investlink that are structured to engage Zimbabweans in the diaspora and foreign investors to participate in Zimbabwe's economic development process.

4.7.14 Investlink promotes Diaspora investment by offering financial and investment advisory services. Investlink has catalogues of investment opportunities in all sectors of the country's economy. The catalogues are availed to the Diaspora to facilitate Diaspora Direct Investment (DDI) into various sectors of the economy, which includes but not limited to mining, agriculture, tourism, real estate, power generation and manufacturing. Investment avenues includes private equity, Diaspora bonds, mutual and investment funds and savings accounts.

For more details please visit

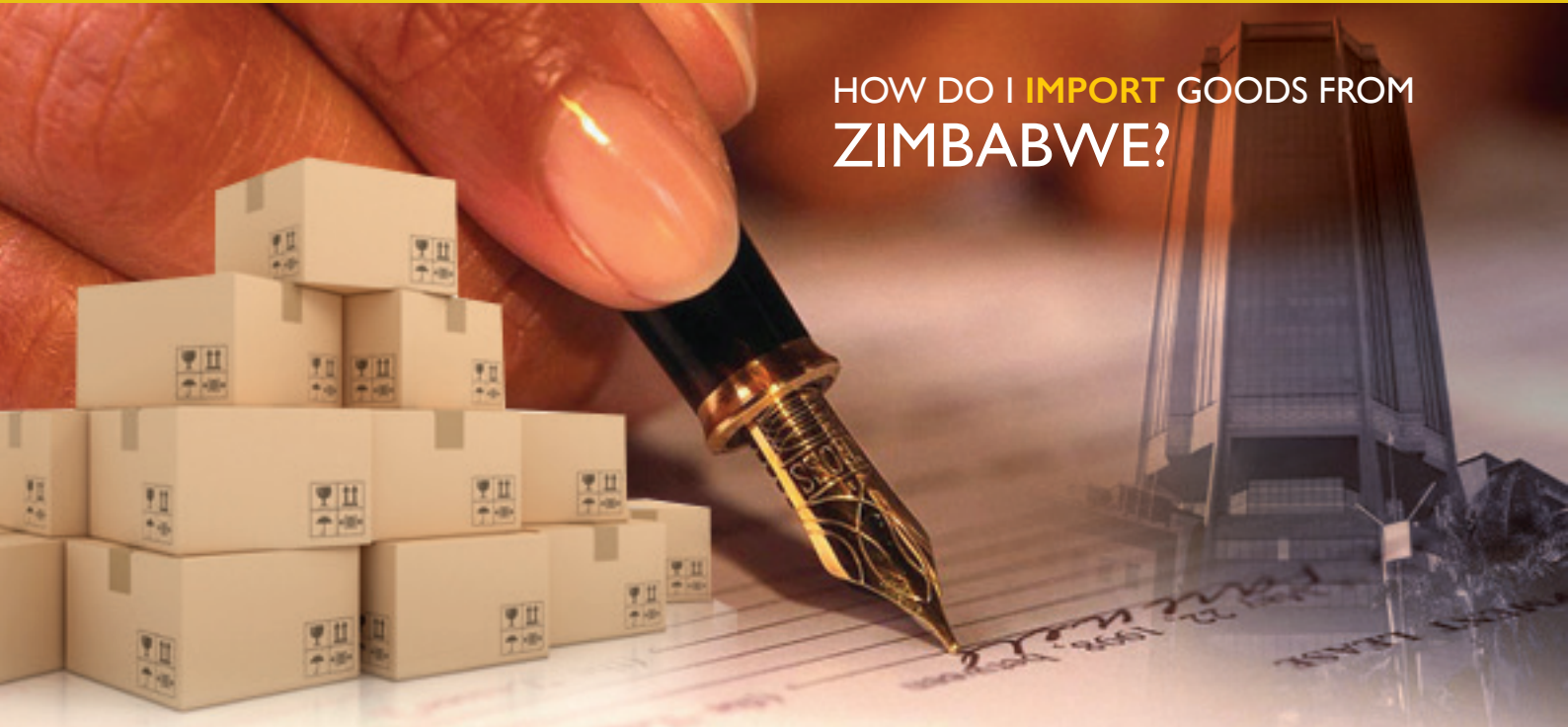
Homelink (Private) Limited
 The Chief Executive Officer
 72-74 Samora Machel Avenue
 Hardwicke House
 Harare
 Zimbabwe
 Tel: +263 4 792800, +263 4 799706-7, +263 4 790562
 Email: enquiries@homelink.co.zw
 Website: www.homelinkzim.com



5

FOREIGN TRADE GUIDELINES

HOW DO I **IMPORT** GOODS FROM
ZIMBABWE?



5.1 Imports Formalities

5.1.1 In February 2009 Zimbabwe removed all its current account restrictions following the introduction of the multicurrency system. In this regard, corporates and individuals can freely make import payments through normal banking channels.

Administrative requirements for importation of goods and services

5.1.2 The current account was liberalized in 2009, allowing Authorized Dealers to effect cross border payments for goods and services on behalf of corporates and individuals without seeking prior Exchange Control approval. The following table shows general requirements for import payments.

Figure 1: General Requirements for Import Payments

ITEM
Products
Goods
<ul style="list-style-type: none"> • Consumption, Capital and Intermediate Goods
Energy
<ul style="list-style-type: none"> • Fuel, Electricity
Services
<ul style="list-style-type: none"> • Professional and Technical Fees
Acceptable Payments Methods
<ul style="list-style-type: none"> • Advance Payments • Credit Terms • Letters of Credit • Documentary Collections • On Consignment
Acceptable Funds Transfer Systems
<ul style="list-style-type: none"> • Telegraphic Transfers • International Cards • Money Transfer Agents
Import Documentation
<ul style="list-style-type: none"> • Proforma/Commercial Invoices • Bills of Lading and Bills of Entry (Import) – Customs • Service Agreements/Contracts- Registration • Import Licence (where applicable)
Acquittal Period for Payments
<ul style="list-style-type: none"> • 90 Days from date of payment for goods in stock • Stipulated delivery period for goods still to be manufactured

5.1.3 There are no restrictions in terms of value and quantity on importation of raw materials and other essential goods. For importation of goods requiring licences, the relevant authorities such as the Ministry of Industry and Commerce grants such import permits expeditiously.

5.1.4 All imports however, must be acquitted through the banking system through the provision of Bills of Entry (Imports) as evidence of receipt of goods in the country.

5.1.5 Importers are allowed an extended period of acquittal on importation of machinery, spares and equipment whose manufacture prior to shipping may take elongated periods that are beyond the stipulated 90 days.

Import Substitution

5.1.6 The following are some of the major imports where an investor can invest to substitute goods which are being imported, such as: foodstuffs such as cooking oil, maize, margarine, wheat, soya bean, cereals, tinned beans, milk and milk products; Mining mill balls and explosives; Bio- diesel; Detergents such as soap, washing powder, toothpaste Steel fabrics; Rolling stock for National Railways and mining companies; Fertiliser; Tyre and rubber products; Medicaments; Footwear, textiles and clothing

Importation of foreign currency cash.

5.1.7 Under the multicurrency system, foreign investors and visitors are allowed to bring into Zimbabwe foreign currency cash denominated in any of the prescribed currencies. Foreign currency brought into Zimbabwe may be used for consumption or investment purposes.

5.1.8 Apart from the need to meet the requirements of the country's Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) rules, there are no requirements for declaration of foreign currency cash imports by foreigners at entry, unless one wants to re-export the remaining cash resources. In this case, the foreign investor or visitor would be required to declare their cash through the completion of Customs Declaration Form 47 with ZIMRA at the port of entry as proof that the funds originally came from outside.



5.2 Export Formalities

Registration of New Exporters

5.2.1 All new exporters should register with Authorised Dealers for recognition and to have access to the Reserve Bank of Zimbabwe's CEPECS. The registration is a once off exercise which takes a few minutes to complete. It is a simple procedure which calls for submission of documents through a Bank branch: -

- Copies of National Identification Card of an Individual Exporter
- Copy of Certification of Incorporation in Zimbabwe for corporates
- Duly completed Registration Form for both individual and corporate exporters

Table 8: Export Documentation

Form Type	Sector	Purpose
Form CD1	Real Sector - Goods	Declaration of export of goods in CEPECS prior to Export Shipment.
Form CD3	Cross-border Transport Services	Declaration of road transport/freight charges. Manual forms issued by Authorised Dealers prior to rendering services.
Form TRAS1	Tourism Services	Declaration of non-consumptive tourism earnings. Consolidation of cash receipts and deposits on a monthly basis.
Form TRAS2	Tourism Services	Declaration of consumptive tourism (hunting) earnings.
Form PTS1	Postal and Telecommunications	Declaration of postal and telecommunication receipts. Consolidation of cash receipts and deposits on a monthly basis
Form GSD	General Services	Declaration of earnings arising from rendering any other service not specified above.

Source: Exchange Control, Reserve Bank of Zimbabwe

Administration of Export Declaration Forms

5.2.4 In order to improve on the ease of doing business, the Reserve Bank introduced a direct data interchange with exporters for raising Forms CD1, Form TRAS1 and TRAS2 in CEPECS system. Through the direct data interchange, exporters are granted direct access rights to the Reserve Bank's web-based CEPECS to make export documentation from their own premises.

5.2.5 The Form CD3 (for cross-border transport operators), shall be computerized starting from September 2016. The cross-border transport operators shall also be granted direct access rights to the CEPECS system and raise the requisite Forms CD3 from their own premises.

Export Declaration Forms

5.2.2 Exchange Control policy requires that every export of goods above USD1,000 for individuals and any amount for corporates, be declared on an Exchange Control Export Declaration Form. (See Table 9; Export Documentation)

5.2.3 In addition, Exchange Control requires that all the earnings from export of services, be entered on the relative return form for statistical reporting purposes, covering the month under which services were rendered. The following table outlines the export declaration forms which are required for collecting statistics from exports from Zimbabwe.

5.2.6 For those exporters who may not be in a position to raise export documentation from their premises, the Central Bank has put in place measures to ensure that requests for such export declarations are processed by Banks within 24 hours.

5.2.7 In cases where the export consignment needs prior Exchange Control approval as in the case of export of cash in excess of \$5,000, Gold, Diamonds, and other controlled goods, the related applications are processed in less than 2 working hours of submission to the Reserve Bank.



Form CDI Cycle

- 5.2.8 Authorised Dealers or Exporter or their authorised agents capture the Forms CDI data into the Reserve Bank's CEPECS, make printouts and affix own stamp and signature on the Form CDI printout.
- 5.2.9 The printed Form CDI is then presented to ZIMRA, among other export documents, for preparation of Bill of Entry Export either to an Inland or Frontier Port. Soon after preparation Bill of Entry Export, the ZIMRA official acquits the Form CDI in CEPECS thereby posting the date of export for the goods.
- 5.2.10 After export, the exporter receives payment within 90 days or any other approved extended period and the proof of payment is then presented to an Authorised Dealer for final acquittal of the Form CDI.

Removal of Exchange Control Approval on Export

- 5.2.11 All exports except for the Diamond, Gold, Ammunition, bulk cash (above \$5,000), do not require Central Bank approval. The Banks or exporters may process their declaration without first applying to the Central bank for approval for all the other exports in pursuance of contract of sale, gifts up to a maximum of \$10,000, second hand vehicles, scrap metal, livestock, live wild animals, second hand industrial equipment, emigrant effects, household effects, returns outwards, goods sent out for repairs, goods sent out for replacement, samples excluding soils/mineral samples and goods for toll manufacturing.
- 5.2.12 Where applicable export permits should be obtained from relevant Government Ministries before processing an export declaration in the Reserve Bank's CEPECS.

Table 9: Export Shipment Contribution by Sector for the period 2009-2016

Sector	2009	2010	2011	2012	2013	2014	2015	2016
Mining	45.7%	59.7%	61.5%	57.6%	51.6%	54.3%	56.0%	62.4%
Tobacco	18.5%	15.6%	17.6%	19.0%	23.7%	20.7%	18.5%	19.4%
Manufacturing	10.5%	7.0%	4.7%	6.1%	9.2%	7.4%	7.0%	4.1%
Agriculture	11.2%	7.6%	8.7%	8.4%	3.1%	3.8%	4.8%	5.0%
Horticulture	0.9%	0.6%	0.3%	0.3%	0.8%	0.8%	0.5%	1.0%
General Services	0.0%	0.3%	0.1%	0.1%	0.2%	0.3%	0.7%	0.6%
Road Freight Services	9.4%	4.9%	3.9%	5.1%	6.3%	6.9%	7.6%	4.1%
Telecoms Services	0.4%	0.5%	0.1%	0.4%	1.4%	1.7%	1.6%	0.3%
Tourism & Travel Services	3.4%	3.9%	3.0%	3.0%	3.5%	4.1%	3.3%	3.0%

Source: Exchange Control, Reserve Bank of Zimbabwe



6

FOREIGN INVESTMENT GUIDELINES



Zimbabwe is open for investment

6. FOREIGN INVESTMENT GUIDELINES

Zimbabwe's three (3) main entry points for foreign investment are; the Zimbabwe Investment Authority (ZIA), Zimbabwe Stock Exchange (ZSE) and the Reserve Bank of Zimbabwe.

6.1 The Zimbabwe Investment Authority (ZIA)



- 6.1.1 The Zimbabwe Investment Authority (ZIA) is the country's investment promotion body set up to promote and facilitate both foreign direct investment and local investment. It is the prime investment promotion body that deals with “**Greenfield Projects,**” that is, investments into new projects.
- 6.1.2 Foreign investors are encouraged to enter into joint ventures with domestic investors. Currently indigenisation regulations permit foreign investors to invest up to 49% in the various sectors. Where investors require to exceed the threshold, an application may be submitted to the line Ministry for consideration. These sectors include mining, manufacturing and Tourism Development. However, investments in gazetted reserve sectors is restricted to locals and these include, transport, retail sector, construction, estate agencies, bakery, primary agriculture, among many others.
- 6.1.3 In order to enhance the ease of doing business, ZIA has fully established and operationalised the One Stop Shop (OSS) concept. This administrative arrangement has culminated in the streamlining of the investment approval process and this has resulted in all foreign investment applications being processed within 5 days of approval.

For more details please visit

Zimbabwe Investment Authority (ZIA)

The Chief Executive Officer

Investment House

109 Rotten Row

P.O. Box 5950, Harare

Email: info@zia.co.zw

Tel: +263-4-757931-5/759115/756170 Fax: +263-773843

Website: www.zia.co.zw



6.2 The Zimbabwe Stock Exchange (ZSE)



- 6.2.1 The Zimbabwe Stock Exchange (ZSE) provides an alternative avenue for Foreign Portfolio Investment (FPI) injection into the local economy through the stock market. There are currently 59 active counters listed on the ZSE from various sectors of the economy including mining, agriculture, tourism, services and manufacturing.
- 6.2.2 Such a wide range of share offerings provides foreign investors with a choice of sectors to invest in. Some counters on the ZSE have dual listings, which entitles them to listing on other foreign Stock Exchange markets.
- 6.2.3 In such a case where a company has a dual listing, full or partial fungibility is permitted. Full fungibility is limited to the 49% of a company's shares held by foreigners. Partial fungibility implies shares can be bought from another stock exchange outside Zimbabwe and then transferred to the local bourse and not the reverse.
- 6.2.4 Foreigners willing to invest on the ZSE are guided by the following guidelines.
- i. The purchase of shares on the ZSE by foreigners must be financed by an inward transfer of foreign currency through normal banking channels;
 - ii. The purchase of shares must not exceed 49% of the total equity and a single investor's purchase must not exceed 15% of the shares on offer;
 - iii. The proceeds from the investment can be fully remitted subject to the deduction of the relevant withholding tax
 - iv. Disinvestment proceeds can be fully remitted;
 - v. Capital gains made on disposal of the shares are subject to Capital Gains Tax (CGT) and can be fully remitted thereafter:
 - vi. In the case of a dual listed company, where the primary listing is on the ZSE with a minimum of at least 60% of the listed shares at all times. Foreign investors can only take up to 49% of the shares in the dual listed firm.
 - vii. Where a secondary listing is on the ZSE, full fungibility is not permitted.
 - viii. With regards to the participation of foreigners in the primary issues of bonds and stocks, foreign investors can take up to 100% with no limit to the level of participation of each investor. Such investments can be disposed of in the secondary market. Such participation in primary issues is subject to the purchase being funded by an inflow of foreign currency through the normal banking channels.

Dual Listing and Fungibility of Shares

- 6.2.5 All applications for dual listing of shares shall require prior Reserve Bank approval. In cases of dual listing, the primary listing shall be on the Zimbabwe Stock Exchange (ZSE) where a minimum of at least 51% of listed counter's shares shall be held at all times.
- 6.2.6 Foreign investors shall, however, be permitted to buy up to 49% of the shares in the dual listed company in line with existing Exchange Control policy.
- 6.2.7 Full fungibility may be considered and permitted by Exchange Control up to 49% of the company's shares held by foreigners. Where secondary listing is on the Zimbabwe Stock Exchange, full fungibility is not permitted. Exchange Control also considers partial fungibility of shares.



Modus Operandi for Dual Listed Shares

Local Investors

- Shares are delivered in negotiable order to a Zimbabwean broker.
- Shares can be sold offshore if there is no local buyer and if the price offshore is higher.
- These shares are then sold offshore by a foreign broker
- The foreign broker then confirms the sale to the Zimbabwean broker.
- The sale confirmation and documentation in negotiable order are sent to the local transfer secretaries and the Zimbabwe Stock Exchange.
- The transfer secretary issues a Removal Receipt upon approval by the Zimbabwe Stock Exchange.
- The Zimbabwe broker sends the foreign broker the Removal Receipt.
- After sale, the foreign broker remits the proceeds to the Zimbabwe broker through normal banking channels.
- The Zimbabwe broker pays his Zimbabwe client.
- The Zimbabwean broker furnishes proof of the receipt of foreign funds to the transfer secretary within 30 days of the sale.
- The letter from the bank confirming receipt of funds is to be signed by two authorised signatories and submitted to Zimbabwe Stock Exchange and Exchange Control.
- The Zimbabwe Stock Exchange will monitor the activities of brokers and transfer secretaries.
- The Removal Receipt is the release in effect of the scrip prior to release of funds.
- The 30 day period will be strictly enforced. Primary responsibility for ensuring compliance with the procedures rests with the transfer secretary who will report any non-compliance to the Zimbabwe Stock Exchange and the Reserve Bank of Zimbabwe.
- The Removal Receipt is the release in effect of the

scrip prior to release of funds.

- The 30 day period will be strictly enforced. Primary responsibility for ensuring compliance with the procedures rests with the transfer secretary who will report any non-compliance to the Zimbabwe Stock Exchange and the Reserve Bank of Zimbabwe.

Foreign Investors

- Investment on the Zimbabwe Stock Exchange by Foreign Investors shall be funded from offshore through normal banking channels and proof of receipt of funds supported by documentary evidence in the form of copies of inward Telegraphic Transfers.
- Foreigners who wish to transfer shares to an external register may only do so by first presenting evidence of the inward transfer of funds, in the form of copies of inward Telegraphic Transfers, to the Transfer Secretary who will advise the Zimbabwe Stock Exchange.
- The Transfer Secretary will issue a Removal Receipt upon approval of the inward transfer of funds by the Zimbabwe Stock Exchange and presentation of suitable evidence including the transfer form and the share certificate.
- The foreign investor will use the Removal Receipt to effect the transfer of shares to the external register.
- Foreign investors may transfer shares from an external register to the Zimbabwe register; sell the shares and repatriate the proceeds using existing procedures in place for dual listed shares.
- The removal of shares from a Register in Zimbabwe to a Register outside Zimbabwe requires the prior permission of the Exchange Control.
- The removal of shares from a Register outside Zimbabwe to a Register in Zimbabwe, similarly requires the prior permission of the Exchange Control.

For more details please visit

Zimbabwe Stock Exchange

The Chief Executive Officer (CEO)

4 Ridgeway North

Highlands

Harare

Email: info@zse.co.zw

Tel: +263-4-886830-5

Website: www.zse.co.zw



6.3 RESERVE BANK OF ZIMBABWE - FOREIGN INVESTMENT FACILITATION.



6.3.1 The RBZ through its Exchange Control Division, administers and facilitates foreign investments into existing entities and operations, also known as **Brownfield investments**. Such investments, largely take the form of dilutions, mergers and acquisitions, rights issues, cross-border investments and restructuring. All these investments require specific Exchange Control approval.

Investment into Unlisted Companies

6.3.2 Foreign investors may invest up to 49% in unlisted companies for existing projects and Exchange Control permission is granted for such investments. Special dispensations are also granted to allow foreign equity participation of up to 100% depending on the merits of the investment proposal or compliance with the country's indigenisation guidelines (See Section 6.4 on indigenisation). These applications are in respect of foreigners investing into existing local enterprises not listed on the Zimbabwe Stock Exchange (ZSE). The transactions effectively results in shifts and changes in shareholding structure and ownership which impacts on the capital account.

6.3.3 The same procedures apply to listed companies, where the foreign investor intends to acquire more than the stipulated 49% threshold on the ZSE.

6.3.4 Cross border investments can be in the form of the establishment of offshore branches or subsidiaries and these proposals require prior Exchange Control approval, where consideration is done on a case by case basis.



Application Details for investment into unlisted companies

- 6.3.5 To facilitate the processing of such applications, applicants should furnish the following information to Reserve Bank via an Authorised Dealer;
- i. Latest audited financial statements for the entity whose shareholding is the subject of the dilution;
 - ii. Demonstration of whether the shares/equity are being bought at par or at a premium,
 - iii. Indication of how the shares will be financed;
 - iv. Justification for the dilution, i.e. will the dilution proposal rescue local operations and/or jobs;
 - v. Draft Sale of Shares Agreement;
 - vi. Shareholder consent from existing shareholders;
 - vii. Details of applicants' business in Zimbabwe including full names of the shareholders, their residential status and percentage shareholding before and after the dilution proposal.

Mergers and Acquisitions

- 6.3.6 Mergers and acquisitions arise where two or more entities, listed or unlisted, intend to amalgamate or where one company intends to acquire a majority stake in another company.
- 6.3.7 These proposals are considered on a case by case basis, with consideration granted towards the benefits encumbered in the amalgamation or the acquisition of the company(s).

Application Details for Mergers

- 6.3.8 The following information must be submitted to the Reserve Bank with the application for a merger:-
- i. Details of the ownership structure or control of the merging entities before and after the merger;
 - ii. Details of the share acquisitions to facilitate the merger and change of directorship;
 - iii. Latest audited financial statements of the merging entities;
 - iv. Expected time frame or scale for the completion of the merger;
 - v. Reasons for the merger and benefits to accrue from the merger;
 - vi. Projected plans for the merged business;
 - vii. Board Resolutions from the merging entities;
 - viii. Market share of the merging entities and estimate of market share after the merger supported by a clearance letter from the Anti-Monopolies and Competition Commission; and
 - ix. Impact of the merger at the local level and details of localities where competition may be reduced as a result of the merger.

Application Details for an Acquisition

- 6.3.9 The following information must be submitted to the Reserve Bank for an acquisition proposal:-
- i. Details of the ownership structure or control of the companies involved in the acquisition;
 - ii. Details of the share acquisitions and change of directorship;
 - iii. Latest audited financial statements of the concerned companies;
 - iv. Board Resolutions from the companies involved;
 - v. Expected time frame or scale for the completion of the acquisition;
 - vi. Reasons for the acquisition and benefits to accrue from the acquisition;
 - vii. Projected business plans for the acquired entity;



Restructuring and Rights Issue of Shares

6.3.10 Companies can raise capital through issuing additional shares to existing shareholders. Such restructuring exercises generally result in changes in company ownership, which requires specific approval by the Reserve Bank.

Application Details for Restructuring and Rights Issues

6.3.11 The following should be furnished to the Reserve Bank for all company restructuring proposals:-

- i. An organogram showing the group's ownership structure and percentage shareholding both before and after the proposed restructuring;
- ii. The rationale for restructuring and basis for share swap;
- iii. Shareholder consent to the proposed transactions;
- iv. Latest audited financial statements for the swapping entities.

Listing on External Stock Exchanges

6.3.12 In order to promote liquidity in the economy, local entities aspiring to list on an external stock exchange should submit applications to the Reserve Bank and meet the following minimum requirements;

- i. Company profile which should clearly specify the nature of operations and existing shareholders and their residential status.
- ii. Audited financial statements including the latest, covering a period of five (5) years.
- iii. Management accounts may be considered for start-up companies.
- iv. Draft or final Prospectus for offshore listing, clearly highlighting among other issues, the quantity of shares to be listed offshore, share price, listing expenses and amount to be raised offshore.
- v. Where the investment is not through an Initial Public Offer (IPO), details of investment acquisition/mergers or share swaps.
- vi. Board resolution supporting the primary or secondary listing offshore.
- vii. A copy of the approved indigenization plan by the Ministry of Youth, Indigenisation and Economic Empowerment.
- viii. For local companies intending to have a primary listing offshore, a concrete road map with timelines indicating when a secondary listing will take place on the ZSE.

Creation of Offshore Holding Companies

6.3.13 In order to manage the perceived country risk, Reserve Bank shall consider proposals by local companies wishing to establish offshore companies through share swaps. The following information should be provided;

- i. Company profile of the entity establishing an offshore holding company;
- ii. Detailed ownership structure, including residential status of the shareholders of the company;
- iii. The rationale for establishing an offshore holding company;
- iv. Basis of share swap where establishment is through a reverse takeover or share swap;
- v. The intended methodology of mobilizing capital offshore ie through equity or debt instruments;
- vi. The targeted amount to be raised and its application to support local operations;
- vii. Audited financial statements including the latest covering five (5) years where applicable;
- viii. In the absence of audited financial statements especially for startup companies or small to medium enterprises, management accounts may be considered;
- ix. Board resolution supporting the offshore structure;
- x. Approval letter for the proposed offshore structure by the Ministry of Youth, Indigenisation and Economic Empowerment;
- xi. Other regulatory approvals where applicable, depending on the sector in which the company operates in.



Guidelines on External Borrowings

Exchange Control policy on external borrowing

6.3.14 Authorized Dealers (banks) can process external loans and/or trade credits of up to USD10 million without prior Reserve Bank approval.

6.3.15 All external loans and/or trade credits are processed in line with Exchange Control Guidelines on External Borrowings (ECGEB). (See Table 4: Pricing of External Loans).

Processing of applications above USD10 million

6.3.16 All external loan applications to the Reserve Bank should be accompanied by the following;

- i. A standard term sheet completed in the format attached to the guidelines.
- ii. A loan agreement duly signed by both/all parties.
- iii. Cash flow projections covering the tenure of the loan.
- iv. Current debt exposure of the borrower.
- v. Latest audited financial statements or management accounts.

Processing of External Loans up to USD10 million

6.3.17 All external loans and/or trade credits below USD10 million and whose terms are consistent with Exchange Control Guidelines on External Borrowings are processed and granted formal approval at Authorised Dealer (bank) level.

6.3.18 Banks are required to register the loans that they approve with the Reserve Bank within 7 Days of approving them. All loan applications should be accompanied by a duly signed loan agreement and an Enhanced Term Sheet. Authorised Dealers also report all loans to the Reserve Bank on weekly basis through Form EC 2L.

Securitisation Arrangements

6.3.19 The Reserve Bank also allows corporates in Zimbabwe to securitise their offshore borrowings using the following assets:-

- i. Immovable property (commercial or residential)
- ii. Securities eg shares

- iii. Mineral claims
- iv. Plant and equipment
- v. Export receivables

6.3.20 Applications for securitisation should be supported by the following:-

- i. Details of the borrower and current debt exposure;
- ii. Duly signed Loan Agreement;
- iii. Valuation of the asset being offered as security by a reputable valuation company;
- iv. Board resolution from the borrower; and
- v. Cash-flow projections.

To qualify for the above mentioned securitisation arrangement, the following conditions shall apply: -

- i. The debt cover ratio (i.e. value of the asset and the proposed loan amount) shall not be more than two times the loan amount.
- ii. In the event of the need to liquidate the asset, the right to acquire the asset shall be given to Zimbabwean residents only.

Loan Repayments

6.3.21 Banks make repayments of loans without seeking prior Exchange Control approval quoting the authority number under which the loan was approved or registered with Reserve Bank for Balance of Payments (BoP) reporting purposes. Repayments should be recorded accurately on a Reserve Bank web-based system called Computerised Exchange Control Batch Application System (CEBAS).

Crossborder Investments

6.3.22 This relates to outward foreign direct investment by Zimbabwean residents into foreign or offshore markets, subject to meeting Exchange Control criteria. Cross border investments should benefit the country in terms of, inter alia, creation of new market opportunities, employment and generation of foreign currency resources.

6.3.23 Crossborder investments can be in the form of the establishment of offshore branches or subsidiaries. The payback period for all investments funded from Zimbabwean resources should not exceed 4 years.



Trading in Derivatives

6.3.24 A derivative is defined as a financial instrument whose value is derived from some underlying asset price, reference rate or index such as a stock, bond, currency, or a commodity.

6.3.25 Authorised Dealers (banks) are permitted to enter into derivative transactions, such as forward contracts, futures, securitization instruments, swaps, options and other similar financial instruments.

6.3.26 Banks may arrange financial derivatives of a value less than USD5 million, for locals and or resident financial players, without seeking Reserve Bank approval.

6.3.27 Where foreigners are involved in the derivatives, which may be in instruments which either involve initial outlay, physical delivery and commodities, specific Reserve Bank approval shall be required.

Profit Sharing Arrangements

6.3.28 Currently, the productive sectors of the economy are facing challenges in accessing sustainable financing required to increase productivity. The absence of long term and affordable financing structures are partly responsible for low capacity utilization obtaining in the economy.

6.3.29 In order to rejuvenate the productive sectors of the economy mainly the mining, agriculture and manufacturing sectors through innovative structured finance models, going forward, foreign investors are now per-

mitted to inject capital into local entities with the view of participating in the risk and return of the company. It should, however, be noted that the funds to be provided under these profit sharing models are not equity nor debt funds.

6.3.30 The following Greenfield and Brownfield projects are eligible for profit sharing arrangements;

- i. Agriculture;
- ii. Mining operations; and
- iii. Manufacturing.

Investment on the Money Market

6.3.31 Foreign investors may subscribe for up to 100% of primary issues of bonds provided the purchase is financed by inward transfer of foreign currency through normal banking channels.

6.3.32 There is no limit on the level of participation by each investor, who are free to dispose of their investments in the secondary market. The foreign investors are also free to buy and sell bonds in the secondary market.

6.3.33 However, the Reserve Bank requires that investors provide proof of transfer of funds through normal banking channels. Disinvestment proceeds are freely remittable without seeking prior Exchange Control approval.

6.3.34 Foreign investors are free to purchase any other money market instrument offered by banks without seeking prior Reserve Bank approval.

For more details please visit

The Reserve Bank of Zimbabwe
Deputy Director
Foreign Investment Facilitation Department
Exchange Control Division
Email: info@rbz.co.zw, fmasendu@rbz.co.zw
Tel: +263-4-703000
Website: www.rbz.co.zw



6.4 Indigenisation Policy



Policy Rationale

6.4.1 The Indigenisation and Economic Empowerment policy was introduced to deliberately empower the historically disadvantaged Zimbabweans and to grant them ownership and control of the country's means and factors of production. This is to enable them to be significant players in the mainstream of the country's economy.

6.4.2 The implementation of the policy differs with the economic sector the company is in and the sectors comprise natural resources, non-resources and reserved sector.

6.4.3 The Indigenisation framework also allows Zimbabweans to enter into viable, strategic and profitable partnerships with foreign investors.

Natural resource sector

6.4.3 Businesses in this sector deal with the exploitation of Zimbabwe's "natural and depleting resources, such as minerals". The Government has a duty to ensure the resources are exploited in a manner that safeguards the best interests of current and future generations of Zimbabweans. Government – and/or its designated entities – will hold a 51% stake in businesses in the sector; with the other 49% belonging to the partnering investor/s. In this sector the requirement to comply with the policy is non-negotiable.

6.4.4 In addition, for existing businesses where Government does not have 51% ownership, compliance with the Indigenisation and Economic Empowerment Policy should be through ensuring that the "local content" retained in Zimbabwe – value in the form of wages, taxation, community ownership schemes and activities such as procurement and linkage programmes – is not less than 75% of the exploited resources.

Non-resources sector

6.4.5 This sector includes the financial sector. But, businesses in this sector should exhibit socially and economically desirable strategic objectives towards the turn-around and sustainable socio-economic transformation of the economy, such as:-

- i. Beneficiation of raw materials before exportation
- ii. Technology transfer to enhance productivity
- iii. Creation of employment for and imparting of skills to Zimbabweans
- iv. Granting of ownership and/or employee share ownership "for value" to indigenous Zimbabweans
- v. Linkage programmes, enterprise development, value chains and other socially desirable objectives to be defined by line Ministers for the purpose of attracting foreign direct investment into Zimbabwe.

6.4.6 Sector-based empowerment credits or quotas reflecting an investor's contribution to national development



efforts will be granted by line Ministers and agreed through negotiations with investors.

Financial Services Sector

6.4.7 The Banking Sector is regulated through the Banking Act [Chapter 24:20], which is regulated by the Reserve Bank of Zimbabwe. The insurance sector is regulated in terms of the Provident and Insurance Act.

6.4.8 These institutions are nonetheless expected to make their contributions by way of financing facilities for key economic sectors and projects, employee share ownership schemes, linkage programmes and such other financial empowerment facilities as may be introduced by the Reserve Bank, from time to time.

Reserved sectors

6.4.9 These are businesses which are reserved for Zimbabwean entrepreneurs. Except for existing businesses and where a special dispensation is granted by the relevant line Minister, the reserved sector businesses include the following:-

- i. Transportation - passenger buses, taxis and car hire services;
- ii. Retail and Wholesale Trade;
- iii. Barber shops, Hair Dressing and Beauty Salons;
- iv. Employment Agencies;
- v. Estate Agencies;
- vi. Valet Agencies;
- vii. Grain Milling;
- viii. Bakeries;
- ix. Tobacco Processing
- x. Advertising Agencies;
- xi. Provision of Local Arts and Crafts, and Marketing and Distribution of the same.

For more details please visit

National Indigenisation and Economic Empowerment Board

The Chief Executive Officer
 12th Floor, Social Security Centre
 Cnr Sam Mujoma/ Julius Nyerere way
 P.O.Box MP 560
 Mount Pleasant, Harare, Zimbabwe
Email: info@nieeb.co.zw,
Tel: +263-4-748100/750300 +263-4-750139
Website: www.nieeb.co.zw



7

SECTORAL INVESTMENT OPPORTUNITIES IN ZIMBABWE



7. Mineral resources in Zimbabwe

7.1 Zimbabwe is a country which is rich in mineral resources, skills and has great potential for investment. Though investors can freely invest in sectors of their choice, there are sectors which the Government prioritise for investment and these include, Manufacturing, Mining and mineral exploration, Infrastructure Development and Agriculture.

Investment opportunities in the mining sector

7.2 The sector accounts for approximately 4% of GDP, about 4.5% of the total workforce and about a third of the total foreign exchange earnings. Zimbabwe is a rich country in terms of mineral resources, therefore there is great potential for investment in the mining sector.

Table 10: Types of minerals in the country and their estimated resources.



Mineral	Estimated resource	Current annual extraction rate
Gold	13 million tonnes	20 tonnes
Platinum	2.8 billion tonnes	2.4 million tonnes
Chromite	930 million tonnes	700 000 tonnes
Nickel	4.5million tonnes	9 000 tonnes
Coal	26 million tonnes	4.8 million tonnes
Diamonds	16.5 million tonnes	Maturity
Iron ore	30 billion tonnes	300 000 tonnes
Copper	5.2 million tonnes	Production suspended
Coal Bed methane	Largest known reserves in Southern Africa	Various exploration initiatives

Source: Ministry of Mines and Mining Development

7.3 Considering the estimated resources of the country's mineral endowment and the levels of extraction for these minerals, there are great opportunities for mineral exploration and the opening up of new mines and the resuscitation of old ones given the advancement in mining technology.

7.4 The estimated resources of the country's mineral endowment and the current levels of extraction for these minerals presents opportunities for mineral exploration and the opening up of new mines and the resuscitation of old ones given the advancement in mining technology



- 7.5 Companies in the mining sector enjoy special taxation exceptions which includes a favourable tax rate of 15% and the computed taxable income (or loss) from each mining location of a particular company is ring-fenced.

Gold

- 7.6 Zimbabwe is the second largest producer per square metre in the world with as gold belts are estimated at 6kg/km². Total gold reserves are estimated at 13 million tonnes and only about 25% of the gold deposits are in active production, hence there is great investment potential in gold mining and exploration. In accordance with the current gold marketing framework, all gold produced in Zimbabwe is sold to the Reserve Bank's subsidiary, Fidelity Printers and Refiners (FPR). FPR are the sole exporter of gold.

Diamonds

- 7.7 Zimbabwe is estimated to hold over 16.5 million tonnes of diamond reserves, of which approximately 75% are alluvial diamonds which come in the form of gem (5%), near gem (5%) and industrial diamonds (90%) and 25% are kimberlite deposits. The alluvial deposits account for approximately 25% of the world's alluvial diamonds.

Nickel, Ferrochrome and Steel

- 7.8 Zimbabwe is a major producer of Nickel, ferrochrome and steel, which are the major ingredients in stainless steel manufacturing. However, all these minerals are currently exported in their raw form thereby presenting an opportunity for their beneficiation.

Platinum Group Metals (PGMs)

- 7.9 The Great Dyke of Zimbabwe has the second largest platinum reserves in the world after the Bushveld Complex in South Africa. Platinum is currently being exported in the semi-processed form. Potential therefore exists for the refining of platinum. Platinum Group Metals consists of other metals in the percentages indicated in the Table below;



Table 11: Percentage Distribution of PGMs

Metal	Value (%)
Platinum	61
Palladium	14
Nickel	14
Rhodium	5
Gold	3
Ruthenium, Iridium, Copper,	3
Cobalt, Silver, Osmidium	
Total	100

Source: Ministry of Mines and Mining Development



- 7.10 Zimbabwe currently exports about 166 000 cubic metres of raw granite every year. There are currently 20 companies extracting granite blocks in the country. Potential therefore exists in the exploration, mining and beneficiation of granite stone.



Cutting of gemstones

- 7.11 There is need to improve on the efficiency of cutting gemstones and thus cutting costs to within competitive limits.



Investment Opportunities in the Manufacturing Sector

7.12 The sector contributes 15.5% to GDP, a third to foreign exchange and accounts for 15% of formal employment. The sector is well diversified and possesses strong linkages with other productive sectors of the economy. Opportunities for investment in the manufacturing sector presents themselves in form of joint ventures and/or strategic partnerships in companies under Industrial Development Corporation and other private sector companies. The diversified industrial base provides potential investors with a number of investment opportunities, some of which are:

Import Substitution

Sub-Sector	Description
Textile industry	Zimbabwe produces one of the best cotton in the world and great opportunities exist for value addition.
Meat processing	Canning of beef and poultry represents a major investment area, the country has lucrative export markets in the region, Europe and the Far East.
Canning of vegetables and fruits	Canning of vegetables and fruits creates backward linkages with agriculture. Currently exports are unprocessed and great opportunities exist for value addition and processing.
Transport sector	Joint venture investment opportunities exist such as the manufacture of buses, fuel-efficient vehicles and manufacture of spare parts locally.
Chemicals	There is potential for investment in the manufacture of chemicals, both Basic and Speciality chemicals, Pharmaceuticals and Health Care Products most of which are currently imported using the scarce foreign currency reserves.



::TEXTILE INDUSTRY



7.13 Due to use of obsolete equipment and working capital constraints, a number of products which used to be manufactured in the country, are now being imported, this has resulted in the well diversified and fairly sophisticated manufacturing sector; operating at low capacity utilisation levels. Opportunities exist in fostering partnerships and joint ventures with companies with installed capacity but are facing capital injection constraints to enhance production.

Toll Manufacturing

7.14 Industrial capacity currently lying idle on account of capital injection and working capital can be used to manufacture for export. Opportunities exist in partnering such companies to manufacture for exports.

7.15 Globalisation and rapid advances in information technology have revolutionised the way of doing business the world over. To keep abreast of these developments, Government is actively promoting investment in the following areas:

- Information Technology and related Research and Development Centres.
- Biotechnology, Bio informatics and related R & D.
- Knowledge based industry and accompanying R & D in

the sector and support growth in these areas

Investment Opportunities in the Agricultural Sector

7.16 Agriculture contributes about 18.5% of GDP, a third of foreign exchange earnings, and about 23% of formal employment. This sector is strongly linked with other major sectors of the economy, as it provides the much needed agro-based raw materials. As a result, a good performance in the agricultural sector is reflected in the rest of the economy.

7.17 The following investment opportunities exist in the agricultural sector:

- i. Horticulture, many crops in this sector have a quick turnaround in terms of foreign exchange generation as these are exported. Crops under this category include vegetables and flowers grown in greenhouses. Zimbabwe is known for its high quality horticultural products which includes strawberries, plums, nectarines, passion fruit, mangoes, citrus, baby and sweet corn, runner beans and asparagus. Joint ventures and /or strategic partnerships are encouraged.



AGRICULTURAL SECTOR





Foreign investments into Horticulture

Contract farming arrangements

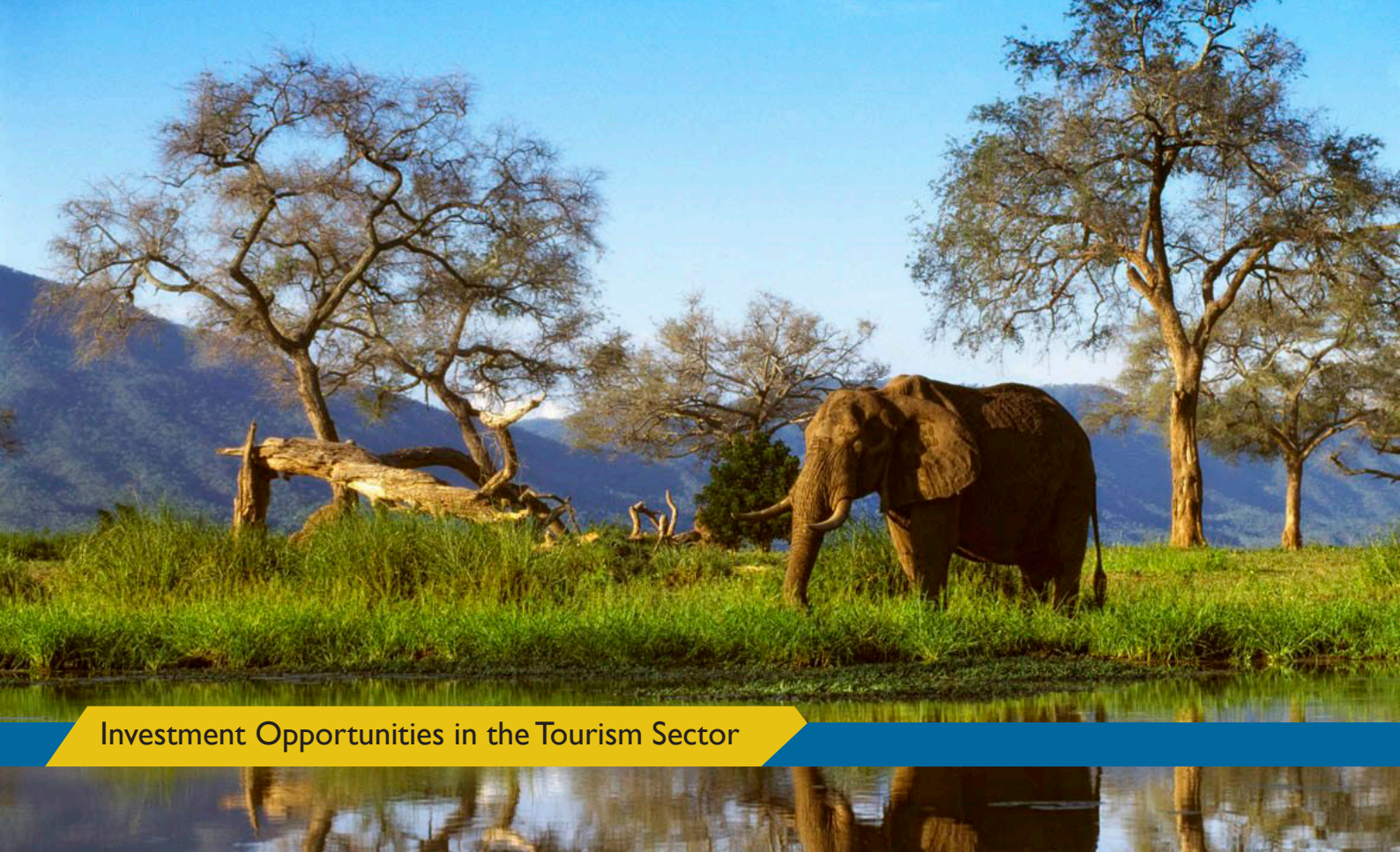
7.18 Under this framework, foreign investors enter into independent contracts with individual farmers. The contractor provides farming inputs to the farmer under a contract which compels the farmer to sell all or part of the expected produce to the foreign contractor at an agreed price.

Corporate Farming Arrangements

7.19 Under this arrangement foreign investors interested in farming in general and horticulture in particular are encouraged to apply for farming concessions from the Government of Zimbabwe to secure leases to enable them to produce cash crops for export.

Sub-Sector	Description
Tobacco	Is among the country's major foreign currency earners, accounting for about 15% of the total exports earnings. Given the high quality that the country is renowned for tobacco processing presents another potential investment area.
Cotton	Opportunities for value addition and beneficiation in this sector exist. This is in view of the fact that the country exports 70% of its cotton output as cotton lint, which can be further processed before being exported.
Timber	Extraction and processing also presents investment opportunities for furniture manufacturing.
Sugar milling	There is potential in the by-products of sugar milling e.g. electricity generation, ethanol for blending petrol, molasses for stock feeds.





Investment Opportunities in the Tourism Sector

7.20 The tourism sector contributes about 6% of GDP, 2.2% of formal employment and historically contributes about 10% of foreign exchange earnings. Zimbabwe has vast tourist attractions ranging from natural to man-made historical sites. These includes Victoria Falls, Lake Kariba, The Great Zimbabwe National Monument, Scenic Beauty Eastern Highlands, Matopo Hills and Wildlife. Opportunities for investment in this sector exist in the following areas:

- i. Hotel and Catering Industry, joint venture investment opportunities exist in the service provision and other downstream related activities.
- ii. Safari and tour operations: Zimbabwe is heavily endowed with a variety of wildlife game animal including the world's big five. Investment opportunities are abound as government and Governments of neighbouring states are working on the Transfrontier game reserves with potential to attract more business.
- iii. Investment opportunities and joint ventures exist in conservancies and eco-tourism.
- iv. There is potential for the development of tourism infrastructure such as hotels, motels, lodges, restaurants, transport and other touring services in urban areas.

Tourism Development Zones (TDZ)

7.21 Tourism Development Zones are areas with high tourism potential where investors will enjoy the following incentives

Table I2: Incentives in the Tourism Sector

First 5 years of operation	0%
Second 5 years of operation	15%
Third 5 years of operation	20%

Source: Ministry of Finance and Economic Development

Thereafter, normal rates of corporate tax will apply.

7.22 Duty rebate on specified capital goods imported for use in the TDZs.



7.23 Other incentives are also available to investors in the TDZ by Local Authorities and these include lease, levy fees and raw materials

Investment opportunities in the services sector

7.24 Investments in the services sector which includes areas such as financial, management consultancy, entertainment industry, film production, construction, among others will entitle foreign investors to a maximum of 70% shareholding with the remaining 30% going to locals.

Infrastructural Development

7.25 The provision for good infrastructure is a pre-requisite for achieving economic growth and development and also for enabling other sectors of the economy to function smoothly. Infrastructure should be efficient and reliable for the transformation of the economy.

7.26 Potential exists in the expansion and modernization of existing infrastructure as well as the construction of new infrastructure such as modern highways and associated tollgates linking key cities, power generation, dam construction, water reticulation, budget hotel chains in the tourism industry etc. Government sees opportunities for private sector participation in this sector through the Public Private Partnership concept.



ENERGY & POWER SECTOR

Investment opportunities in the energy & power sector

7.27 Power and Energy contributes about 2% to total GDP and about 1% of national employment. Source of power and energy in the country are renewable and non-renewable energy and these include coal and coke, coal bed methane, thermal and hydroelectricity and solar. Opportunities exists in the energy sector include power plant construction, resource exploration and development.



7.28 PUBLIC SECTOR PROJECTS

The Government of Zimbabwe promulgated its economic blueprint, the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZIMASSET) in 2013. ZIMASSET outlines various infrastructural projects across all the sectors of the economy. Pursuant to the Government's openness to all forms of foreign investment, the Government welcomes partnerships and investment in these various infrastructural projects through arrangements such as Public Private Partnerships (PPP), Build Operate and Transfer (BOT), Build Own Operate and Transfer (BOOT).

Table 13: National Projects Ready for Investors

PROJECT TITLE	PROJECT DESCRIPTION
ENERGY	
**Gokwe North Thermal Power Station (Sengwa)	Construction of a 1400 MW Thermal power station at the Sengwa coal field. Gokwe North Transmission and Distribution Network.
Gwayi Thermal Power Station	Development of an integrated 2.4 million tonne/year coal mine and 600MW thermal power station in Gwayi.
**Western Area Power Plant	Construction of a 1200MW Thermal Power Station including Transmission works.
Lupane Coal Bed Methane	Construction of 2 Gas Turbine units of 150 MW each
Mini Hydro Power Stations	Construction of Gairezi (30MW) mini hydro power station.
	Construction of Mutirikwi (5MW) mini hydro power station.
	Construction of Manyuchi (1.4MW) mini hydro power station.
	Construction of Osborne (5MW) mini hydro power station.
Small Thermal Power Stations	Construction of Duru (2.3MW) mini hydro power station.
	Upgrading of Harare, Bulawayo and Munyati thermal power station-replacement of industrial coal fed boilers with those that use other types of coal.
Transmission & Distribution Networks	Rehabilitation and upgrading of transmission & distribution networks.
Solar Energy	Construction of a 100MW solar plant in Gwanda
Demand Side Management	Ripple control system
	Prepaid meters
	Establishment of a Liquid Fuel Plant
	Establishment of a Jathropha Pilot Processing Plant



WATER SANITATION



Harare

Water works - Replacement of distribution pipes, valves, repair of booster pumps and installation of meters.

Sewerage services - Rehabilitation of treatment plants, pipe replacement, upgrading of pump stations and construction of new waste water treatment plants.

Bulawayo

Water works - Replacement of distribution pipes, valves, repair of booster pumps and installation of meters.

Sewerage services - Rehabilitation of treatment plants, pipe replacement, upgrading of pump stations and construction of new waste water treatment plants.

Mutare

Water works - Replacement of distribution pipes, valves, repair of booster pumps and installation of meters.

Sewerage services - Construction of trunk sewer mains, treatment plants and pump stations.

Masvingo

Water works - Water Augmentation.

Sewerage services - Construction of trunk sewer mains, treatment plants and pump stations.

Gweru

Water works - Replacement of distribution pipes, valves, repair of booster pumps and installation of meters.

Sewerage services - Rehabilitation of treatment plants, pipe replacement, upgrading of pump stations and construction of new waste water treatment plants.

Chitungwiza

Water works - Upgrading of reticulation network, replacement of valves & 16000 domestic water meters, installation of billing software.

Sewerage services - pipe replacement, refurbishment of BNR plant, procurement & installation of return actuated sludge pumps and waste pumps, construction of grit intake structures, replacement and repair of float switches, replacement of filters and flow sensors & construction of inlet works.

Kadoma

Water works - rehabilitation of water lines and installation of a dedicated electrical line to water works.

Sewerage services - rehabilitation of sewerage treatment works and sewer ponds.

Kwekwe

Water works - procurement and installation of pumps and valves and rehabilitation of pipes.

Sewerage services - pipe rehabilitation.





WATER SANITATION

Beitbridge

Water works - procurement and installation of pumps, pipes and electro mechanical equipment.

Sewerage services - outfall sewer upgrading.

Chipinge

Water works - construction / installation of clarifiers, filters & rehabilitation of water mains & existing boreholes. Carrying out feasibility studies for alternative sources of water.

Sewerage services - construction of new sewer lines, public toilets & replacement of pipes.

Chiredzi

Water works - upgrading of water treatment plant.

Sewerage services - construction of sewer ponds.

Gokwe

Water works - upgrading of water supply & booster stations.

Sewerage services- upgrading of sewer reticulation system.

Chegutu

Water works - replacement of pipes, installation of meters & extension of water reticulation system.

Sewerage services - construction of ponds, re-equipping pump stations, rehabilitation of existing sewer plants & reticulation system. Procurement of maintenance tools and protective equipment, erect security fencing at sewer plants.

Chinhoyi

Water works - procure and install treatment and pumping equipment, treated main line repairs, replacement of filter nozzles, raw water mainline repair, rehabilitation & replacement of pumps.

Sewerage services - replacement of pumping equipment, upgrading of sewer reticulation, construction of stabilisation ponds.

Gwanda

Water works - construction of reservoir, booster pump station & upgrading of water mains.

Sewerage services- upgrading of outfall sewer, construction and installation of pump station, procurement and installation of electric motors.

Zvishavane

Water works - rehabilitation of existing water treatment & reticulation system.

Sewerage services - maintenance & upgrading of sewer reticulation system.

Bindura

Water works - upgrading of water reticulation system.

Sewerage services - upgrading of sewer reticulation system.



Kariba

Water works - rehabilitation of water treatment plant and pipe replacement.

Sewerage services - rehabilitation of sewer ponds, pump stations and system upgrading.

Marondera

Water works - construction of ground reservoir; construction of pump house & installation of electro mechanical fittings in pump house, upgrading and extension of existing treatment works, pipe replacement & electricity supply.

Sewerage services - rehabilitation of sewerage ponds and outfall sewer; supply & installation of electro mechanical equipment and fencing.

Victoria Falls

Water works - construction of water reservoir & upgrading of raw and clear water reticulation.

Sewerage services - resuscitation of werer pump stations & disludging of ponds.

Redcliff

Water works - rehabilitation of water reticulation system.

Sewerage services - upgrading of sewer reticulation system, refurbishment and upgrading of sewer treatment works,

Karoi

Water works - water reticulation upgrading.

Sewerage services - sewer upgrading and construction of public toilets.

Mvurwi

Water works - construction of water reservoir & upgrading of water treatment plant.

Sewerage services - construction of sewer ponds & intake works.

Norton

Water works - construction of raw and clear water pumping mains, reservoir & reactor plant.

Sewerage services - repair of pumps, motors & filters and construction of treatment plant.

Plumtree

Water works - rehabilitation and clearing of pipeline & provision of stand by pumps at booster stations & pumping plants.

Sewerage services - construction of sewer ponds & internal reticulation in suburbs.

Rusape

Water works - construction of ground reservoir.

Sewerage services - sewer reticulation and treatment plant upgrading.

Shurugwi

Water works - rehabilitation of pump house, reservoir and upgrading of water reticulation system.

Sewerage services - rehabilitation of pump house & upgrading of reticulation system.

Epworth

Water works - construction of water reservoir.

Sewerage services

Lupane

Water works - drilling of boreholes

Chivhu

Water works

Hwange

Water works - construction of raw and clear water pumping mains & reservoir

Ruwa

Water works - construction of treatment plants and water reservoirs.

Sewerage services - upgrading of sewer reticulation system.



	Mutoko Water works - construction of ground reservoir.
Water supply and sanitation for small towns and growth points.	Rehabilitation and construction of water and sewer infrastructure in 38 small towns and growth points.
Construction of rural water supply and sanitation schemes	Rehabilitation and construction of water and sewer infrastructure in Rural District Councils.
Solid Waste Management	Local Authorities: Procurement of 34 Refuse compactors, 14 Skip Trucks, 75 Skip bins, 41 Tractors, 41 Dumper Trailers
National Matabeleland Zambezi Water Supply	Construction of pipeline from the Zambezi River to Gwayi Shangani dam and pipeline from Gwayi-Shangani dam to Bulawayo
Dam construction	Construction of dams in various Provinces Kunzvi and Musami - Mashonaland East Semwa - Mashonaland Central Bindura - Mashonaland Central Tuli-Manyange - Matabeleland South Chivhu - Mashonaland East Connemara - Midlands Aberfoley - Manicaland Shavi - Midlands Muda - Mashonaland East Chitowe - Manicaland Condo - Manicaland Chipara - Mashonaland East Runde-Tende - Masvingo Silverstroom - Mashonaland Central Nyatana - Mashonaland Central Ziminya - Matabeleland North Lubongo - Midlands Kudu - Midlands Mazowe-Nyagui - Mashonaland Central Dande - Mashonaland Central





TRANSPORT & COMMUNICATION

Airports Rehabilitation and Development.

Harare International Airport

* Completion of the remaining 1.65km of the runway including installation of the airfield ground lighting system

Aviation equipment (Flight Information Display System and Common User Terminal Equipment)

- VIP State Pavilion
- National Handling Services Equipment
- Baggage handling
- Runway maintenance equipment and friction tester

Joshua M. Nkomo International Airport

- Construction of new control tower and fire station
- Cargo centre
- Construction of access road
- Sewer ponds, boreholes and landscaping

Buffalo Range Airport

- Construction of a new terminal building and a 4km runway
- Runway and taxiway rehabilitation

Hwange

Masvingo

Kariba

Charles Prince

Procurement of automated weather observation systems.

Supply and installation of air traffic control radars at Harare and J.M Nkomo Airports

Supply and installation of very high frequency communication systems for air traffic control at airports

Supply and installation of navigational aids system

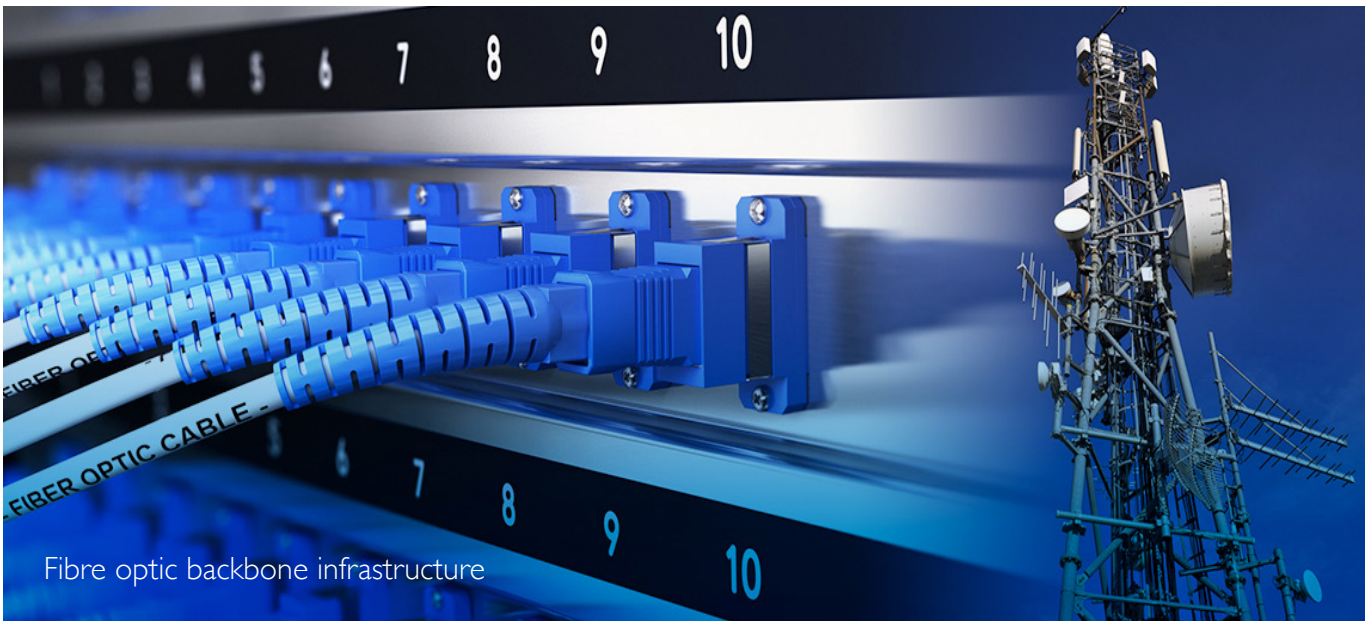


Capacitation of Air Zimbabwe	<p>Lease and procurement of aircrafts Aircraft refurbishment Procurement of aircraft equipment and spares. Refurbishment of physical infrastructure Logistical fleet IATA membership and readmission fees</p>
Rehabilitation and upgrading of rail network	<p>Rehabilitation of track infrastructure - cautions Installation of signalling and telecommunications equipment Rehabilitation and procurement of locomotives Rehabilitation and procurement of wagons Rehabilitation and procurement of coaches Workshop equipment</p>
Roads Dualisation	<p>Harare ring (80km) Harare-Mutare-Forbes (271km) Harare-Bulawayo (440km) Harare-Nyamapanda (238km) Bulawayo-Beitbridge (322km) Bulawayo-Victoria Falls (439km)</p> <p>Harare-Bindura</p>
Road expansion projects	<p>Buchwa-Rutenga- Boli- Sango (150km) Headlands-Mayo (56.8km) Nyahodi-Gata-Mutakura (50.2km) Mt. Darwin-Mukumbura (254km) Bindura-Shamva (27.7km) Mvurwi-Kanyemba (249.5km) Murehwa-Mandicheche (132km) Hwedza-Sadza-Murambinda (120km) Skyline-Mubaira-Chegutu (126.3km) Karozi-Binga (243.1km) Gutu-Kurai (83.3 km) Nkayi-Lupane (118 km) Bulawayo-Nkayi (93.6 km) Gwanda-Maphisa (58.6 km) Plumtree-Mphoeng (100 km) Kwekwe-Nkayi (158.2 km) West Nicholson-Mberengwa (89 km)</p>
Road Construction & Rehabilitation	<p>Nyazura-Dorowa (50km) Golden Valley-Sanyati (100km) Gokwe-Siabuwa (100km) Ngundu-Triangle (50km)</p>



Narrow Mat Widening	Chivhu-Range (10km) Bulawayo-Kezi (50km) Guruve-Mahuhwe (50km) Gutu-Chartsworth (40km)
Bridge rehabilitation and construction	*Tuli River Runde River Manyame Skyline Munyati River Birchenough
Local Authorities Roads	Rehabilitation and upgrading of Local Authorities road infrastructure
Equipment for CMED	Procurement of 2xD8 bulldozers, 2xD6 bulldozers, 2x165HP motorised graders, 2xCAT 920 wheelloaders, 10x80HP wheel tractors, 2 motorised water bowsers, 5 tippers, 5x16 disc harrows, 5 disc ploughs
Procurement of road construction and maintenance equipment for Road Authorities	District Development Fund-32 dozers, 64 motorised graders, 32 frontend loaders, 128 tippers, 8 low beds, 8 flat bed trucks, 32 pick up trucks, 8 motorised water 7 & fuel bowsers, 8 compactors, 8 drilling machines, 200 trailers, 200 tractors & 200 towed graders. Department of Roads - 6 bulldozers, 8 motorised graders, 16 tippers, 6 rollers, 6 concrete mixers, 24 lorries, 24 towed graders, 24 water pumps, 24 pneumatic tyre tractors, 24 water carts, 24 plate compactors, 24 tractor drawn mowers. Local Authorities - 151 tippers, 110 graders, 7 distributors, 60 frontend loaders, 11 mixers, 70 rollers, 67 motorised bowsers, 47 bulldozers, 75 tractors, 1 reclaimer, 2 prime movers, 9 spreaders, 2 pavers, 22 compressors, 3 vibratory pedestria, 63 compactors, 14 excavators, 9 hand spray pumps, 8 marking machines & 15 trailers.
Rural Road Regravelling	Regrading and regravelling of 4000km of rural roads Automation of weather observation system
Sub total	
INFORMATION COMMUNICATION TECHNOLOGY	
e-Government	*Automation of Government Systems Establishment of a National Data Center Operationalisation of e-Government flagship projects
e-Learning	*Computerisation of schools countrywide
ZIMRA	*Automation of ZIMRA





Fibre optic backbone infrastructure

Fibre optic backbone infrastructure

- Bulawayo-Beitbridge
- Bulawayo-Victoria Falls
- Gweru-Masvingo
- Harare-Chivhu-Gweru
- Bulawayo-Plumtree
- Mutare-Nyanga
- Masvingo-Beitbridge
- Harare-Nyamapanda
- Mutare-Chipinge
- Masvingo-Chiredzi
- Harare-Mt. Darwin
- Victoria Falls-Kazungula
- Chipinge-Chiredzi
- Hwange-Gokwe-Kwekwe
- Last mile connection
- Transmission equipment and capacity upgrade





HEALTH- Social Projects

HEALTH	
Harare District Hospitals	Construction of District Hospital 1 Construction of District Hospital 2
Bulawayo District Hospital	Construction of a district hospital for Bulawayo Metropolitan Province
Chitungwiza Central Hospital	
Infrastructure at Central Hospitals	Maternal and neo-natal unit Laboratory Block of flats Rehabilitation of infrastructure Construction of Laundry, toilets and water storage tank United Bulawayo Hospital Construction of School of Nursing Construction of Block of flats Construction of Incinerator Medical Gas piping Harare Central Hospital Construction of block of flats Rehabilitation of infrastructure Harare Central Hospitals Mortuary Harare Hospital Water Augumentation Mpilo Central Hospital Construction of block of flats Rehabilitation of infrastructure Mpilo Central Hospitals Mortuary Mpilo radiotherapy center Parienyatwa Grooup of Hospitals-Rehabilitation of infrastructure Construction of block of flats at Ingutsheni Central Hospital





<p>Provincial Hospitals</p>	<p>Construction of 4 new Provincial Hospitals Bindura Masvingo Gwanda Lupane Construction of doctors' flats Gweru Bindura Masvingo Gwanda Marondera Chinhoyi Mutare * Mahusekwa</p>
<p>Rehabilitation of Health infrastructure and procurement of new equipment & logistical fleet</p>	<p>Infrastructure Fixed equipment Ambulance and transport services</p>
<p>Medical Equipment</p>	<p>Procurement of medical equipment for district and rural health centres</p>
<p>Construction of other Health Infrastructure</p>	<p>Shamva OPD and Incinerator Rusape OPD Chipinge Kitchen constructed Matutu Rural Health Centre Shamrock Rural Health Centre St Lukes OPD Makumbe OPD and theatre Central Vaccine Store Tsholotsho School of Nursing Construction of New health facilities in resettlement areas</p>



<p>Infrastructure at Central Hospitals</p>	<p>Chitungwiza Central Hospital Maternal and neo-natal unit Laboratory Block of flats Rehabilitation of infrastructure Construction of Laundry, toilets and water storage tank United Bulawayo Hospital Construction of School of Nursing Construction of Block of flats Construction of Incinerator Medical Gas piping Harare Central Hospital Construction of block of flats Rehabilitation of infrastructure Harare Central Hospitals Mortuary Harare Hospital Water Augumentation Mpilo Central Hospital Construction of block of flats Rehabilitation of infrastructure Mpilo Central Hospitals Mortuary Mpilo radiotherapy center Parirenyatwa Group of Hospitals-Rehabilitation of infrastructure Construction of block of flats at Ingutsheni Central Hospital Construction of 4 new Provincial Hospitals</p>
<p>Provincial Hospitals</p>	<p>Bindura Masvingo Gwanda Lupane Construction of doctors' flats Gweru Bindura Masvingo Gwanda Marondera Chinhoyi Mutare</p>

Source: Various Ministries and Government Departments





9

FREQUENTLY ASKED QUESTIONS

Questions On Foreign Investments

1. Question Is there a limit on cash that an investor can bring into Zimbabwe?

Answer An investor/visitor to Zimbabwe is free to bring in any amount of cash as equity through normal banking channels. Where any investor brings cash, it must be declared at the port of entry.

2. Question Are dividends from an investment freely remittable to a country of investor's choice?

Answer Yes. Profits and dividends are freely remittable as long as they have been declared and approved by the company's Board and are emanating from the current year trading profits of the company.

3. Question Is there a limit on the dividends that an investor can remit?

Answer No. 100% of profits are freely remittable as long as the dividends are declared from financial statements not more than 12 months away from the current year.

4. Question Upon disinvestment are there any limits or controls on remittance of cash to the country of choice?

Answer No. An investor is free to remit any capital plus appreciation from the investment upon getting an approval from the Reserve Bank.

5. Question How long does it take for an investment proposal to be considered by the Reserve Bank?

Answer All applications for investment are considered within a minimum of 3 days and a maximum of 14 days from date of submission of application provided sufficient information is furnished.

6. Question Can dividends be declared from retained earnings?

Answer Yes. Dividends can be declared from retained earnings provided prior Reserve Bank approval is obtained.

7. Question Can non-residents invest on the local money market? Are there any limits on investments?

Answer Yes, non residents may freely invest on the local money market without Reserve Bank approval and there are no limits on investment.

8. Question Upon maturity of a money market investment, are there any restrictions to the remittance of the capital and interest?

Answer No. Capital plus interest are fully remittable without seeking prior Reserve Bank approval.

9. Question What are the thresholds for foreign investment in Zimbabwe?

Answer Foreign investors may invest up to 49% in local companies. However, each case is considered based on its merit should the investor wish to acquire equity in excess of 49%.

10. Question What are the limits for foreign participation on the Zimbabwe Stock Exchange?

Answer Foreign investors may trade on the Zimbabwe Stock Exchange (ZSE) with foreign currency received through normal banking channels. Individuals may invest up to 15% in listed entities and companies up to 49%. The initial investment plus capital gains and dividend income may be remitted without restriction.



11. Question Do money market instruments still exist in Zimbabwe?

Answer Yes they are there.

12. Question Which instruments are currently available on the market?

Answer Bonds are being issued from time to time by different corporates but fixed deposits are readily available.

13. Question Are foreigners allowed to repatriate the investments proceeds at maturity?

Answer Yes, at maturity, foreigners can disinvest and repatriate their investments proceeds together with the interest without restrictions.

14. Question Are they liable to pay taxes or capital gains?

Answer Yes at disinvestment, foreigners can remit offshore their initial capital plus interest less capital gains taxes.

15. Question What is the duration of these money market instruments?

Answer Bonds they range between 5 and 10 years but fixed deposits usually start from 30 days and above depending on what time frame the investor prefer and want to use his or her money.

16. Question Are investors required to obtain prior approval from any regulatory authorities before they can invest on the money market?

Answer No prior approval is required from any regulatory authority. Investors are only required to fill in the relevant forms pertaining to investments they want to undertake and remit their initial capital to be invested through normal banking channels.

Questions on External Borrowings

17. Question Do companies need approval from the Central Bank to borrow from external banks/lenders?

Answer Amounts less than USD 10 million are approved by Authorised Dealers (Banks) without the need for Central Bank authority. However, loan amounts above USD 10 million and above require Central Bank approval.

18. Question Are there any pricing limits that borrowers need to comply with?

Answer Yes. In order to manage the level of debt and sustainability, the Central Bank issues guidelines on external borrowing for banks to administer.

19. Question Can companies make loan repayments offshore?

Answer Yes. Once an external loan is registered by either an Authorised Dealer or Reserve Bank, depending on the amount, interest and capital repayments are freely remittable.

20. Question Is there a requirement for a Reserve Bank authority if a foreign shareholder is to advance a loan to the company?

Answer Yes. Shareholder loans are treated in the same manner as any other offshore loan.



21. Question Are non-resident controlled companies allowed to borrow working capital from the local banks?

Answer Yes. Once a company is registered in Zimbabwe, the company qualifies to approach the banks for working capital purposes.

Questions on Imports of Goods and Services

22. Question Are there any restrictions on the import of goods in Zimbabwe?

Answer Generally No, but imports of certain goods (mostly agricultural and processed food products) require a special permit issued by the Ministry of Agriculture.

23. Question Are there any limits on the amount that can be taken out as holiday or business travel allowance?

Answer There is a \$10,000 limit on the amount of foreign currency that may be used for external business and holiday travel in electronic form, per exit. A limit of \$1000 also applies on the export of foreign currency cash, per exit.

24. Question Are companies allowed to engage offshore service providers and make subsequent payments for services?

Answer Yes. The company is required to enter into an agreement with the foreign service provider and to register the agreement with the Central Bank. Once agreement has been registered with Exchange Control, subsequent payments may be made without the need for approval from the Central Bank.

25. Question Are there limits on the fees that service providers can charge?

Answer The Central bank has issued guidelines to banks to guide the banks on the applicable fees. The fees are currently pegged at not more than 3% of audited gross sales.

26. Question Are companies permitted to pay non- resident directors for services to the company?

Answer Yes. In line with the company policy, a company is eligible to pay directors fees.

27. Question Are there limits on the amount of money expatriates can remit to their families back home?

Answer No since the introduction of the multicurrency system, expatriates are permitted to remit any amount to their families under the Know Your Customer Principle administered through banks.

Questions on Indigenisation Policy

28. Question Do foreign investors cede their shareholding to locals?

Answer No ceding. Local investors are supposed to buy shares or equity from foreigners at par or discount. This means that there should be at least three independent valuations of the company so as to determine the fair value.

29. Question Are foreign investors not allowed to hold more than 49% shareholding?

Answer Foreign investors are allowed to hold more than 49% shareholding in local companies but they should have a roadmap for reducing their shareholding to 49% through selling their equity.



30. Question Are the sectoral considerations applicable in indigenisation?

Answer The Government recognizes that there are some sectors which require technology and capital investment which is not locally available, hence there are some sectors where foreign investors may hold even 100% but they should have a roadmap to reduce their shareholding within a given time frame.

31. Question Does the Government impose local partners for foreign investors?

Answer Foreign investors are free to engage any local partners of their choice, however in the case of the mining sector, some shareholding should be held by the community in which the mining activity operates.

32. Question What is the criterion for indigenisation in the mining sector?

Answer Minerals are finite resources, hence local communities should benefit from the resource. Where foreign investors partner with locals, the 51% contribution by Government and local communities is the resource underground. Similarly, foreign investors can enter into notional vendor financing arrangements with locals.

33. Question Are foreign investors who sell their shareholding to local investors allowed to repatriate the proceeds?

Answer When a foreign investor sells equity stake to a local, the foreign investor can repatriate the realized proceeds without any restriction.

34. Question In cases where foreign investors own more than 49%, is the roadmap for compliance with indigenization fixed?

Answer The roadmap or timeline for compliance varies from sector to sector and also takes into consideration the size of the investment and technology transfer.

Questions on Investments in the Mining Sector

35. Question To what extent is the country's mineral resource reserves known?

Answer The country still needs new technology for exploitation to generate bankable feasibility study reports and look forward to partnership with investors in this field. In these discussions, this is how an investor can surpass the 49% threshold.

36. Question What are the environmental issues which an investor should consider?

Answer The country has enacted the Environmental Management Act and has put in place the Environment management Agency which ensures that mineral exploitation is done in a sustainable manner.

37. Question Is an investor allowed to market their own minerals?

Answer Except for gold and silver which are the preserve of the Reserve Bank of Zimbabwe, all minerals are marketed through the Minerals Marketing Corporation of Zimbabwe (MMCZ). However, an investor is allowed to identify potential markets which will be regularized by MMCZ.



Questions on Greenfield Investments

38. Question What are the procedures for establishing a new business venture in Zimbabwe?

Answer Register company with the Registrar of Companies and acquire a certificate of incorporation. Alternatively one can buy a shelf company from consulting or accounting firms.
Foreign investors should then apply for an investment licence with the Zimbabwe Investment Authority through completing a ZIA I Application Form.
Once an Investment Licence has been issued the investor can then apply for residents permit, work permits for expatriate labour with the Immigration Control Department and other permits relevant to his area of operation with the relevant Authority

39. Question How long does it take to acquire approval for an Investment Licence from Zimbabwe Investment Authority?

Answer ZIA, through OSS, considers applications for an Investment Licence within 5 days and an investor is advised of the position of his application within this time period.

40. Question Does Zimbabwe Investment Authority provide loans and other financial assistance?

Answer Zimbabwe Investment Authority does not provide loans or financial assistance to investors. Investors can however borrow for working capital on the local financial market whilst capital investment by foreign investors can only be financed by funds injected. from offshore

41. Question Does the investor need Exchange Control approval after being granted a licence?

Answer No. Exchange Control considers investments into existing operations. Once the licence has been granted the increase or decrease in foreign shareholding and disinvestments will now require Exchange Control approval

42. Question Are there any incentives in investing in Zimbabwe?

Answer 100% Remittance of after tax profit. Foreign Investors are allowed to remit dividends to their respective countries without any restriction.
Zero corporate tax for Industrial Park Developers, BOOT and BOT Arrangements and Tourism Development Zones for the first 5 years and 25% there after.
5% export incentives scheme.

Fiscal Incentives in Agriculture.

- Farmers Special Deductions – Farmers are allowed special deductions over and above the normal deductions. Examples include expenditure on fencing, clearing and stamping land, sinking boreholes and wells and on aerial and geophysical surveys.
- Value Added Tax-Farming inputs and equipment are subject to VAT at 0%. Most farm inputs such as animal feed, animal remedy, fertilizer, plants, seeds and pesticides and equipment or machinery used for agricultural purposes are zero rated. Use of multiple currencies thus minimizing exchange risks - Foreign investors are allowed to use foreign currency of their choice which reduces foreign exchange risk and transaction costs.

Mining equipment rebates.

- Rebate of duty on goods imported for specific mine development operations and where there is a special mining lease agreement
- 15% tax for holders of special mining lease



- Reduced taxation for companies exporting 50% of output.
- National project status
- Duty exemption on imported capital goods.

Incentives in terms of resident permits. An investment of more \$1 million automatically qualifies to permanent residence and of \$100 000.00 lead to temporary residence.

Investors are free to invest any amount. Depending with the capital needed for a project proposal, investors are allowed to invest amount of their choice.

43. Question **How much does it take to acquire a licence?**

Answer A processing fee of US\$500 non-refundable shall be paid on submission of the application and the US\$2500 shall be paid when the licence is issued.

Questions on Export Formalities

44. Question **How do we go about to be exporters?**

Answer One needs to submit an export registration form through your bank and you shall be registered as an exporter within 24 hours at most.

45. Question **Does one have to declare the type of goods they will be dealing in at the time of application?**

Answer The prospective exporter is only required to declare the Sector under which they fall just for statistical purposes. The type of goods are not required at the time of application.

46. Question **If I register as an exporter under Manufacturing, will that stop me from exporting an agricultural product?**

Answer There are no Exchange Control restrictions to exporting goods under sectors outside your own sector. Diversification is encouraged.

47. Question **Is there any other requirement for export over and above the registration**

Answer The exporter has to secure permits from Government agencies where necessary.

49. Question **At what stage can a hunting trophy be exported?**

Answer Once all funds relating to the hunt have been received in Zimbabwe, except for the taxidermy fees which can be received within 90 days from the day of the export.

50. Question **What is the maximum commission?**

Answer Commission can be paid up to 7.5% for the rest of the world and 10% for African Countries. However; in the tourism sector, commission is payable up to 15%.

51. Question **How are statutory deductions on mining export proceeds applied?**

Answer Application of statutory deductions is on gross export proceeds

52. Question **Is it possible for one to approach the Reserve Bank for information regarding markets for some products?**

Answer Prospective exporters may enlist the services of trade bodies like ZIMTRADE for such information available on the provided web-sites.





10

AUTHORISED DEALERS

Authorised Dealers are financial institutions licensed by the Reserve bank of Zimbabwe in terms of section 2(b) of the Exchange Control Regulations, Statutory Instrument 109 of 1996. These institutions are licensed to conduct crossborder transactions that is, administer exports, make foreign payments, register external loans, administer foreign investment transactions and open foreign currency accounts. **Foreign investors can freely open and operate foreign currency accounts to facilitate international transactions.**

NAME OF BANK	PHYSICAL ADDRESS	CONTACT DETAILS
Agribank	Agricultural Bank of Zimbabwe 15 th Floor Hurudza House 14-16 Nelson Mandela Avenue HARARE	+263 4 755529, +263 4 752403, +263 4 739535
BancABC Zimbabwe Limited	BancABC Zimbabwe Limited 1 Endeavour Crescent Mount Pleasant HARARE	+263 4 338179
Barclays Bank of Zimbabwe Limited	Barclays Bank of Zimbabwe Limited Cnr. Jason Moyo/First Street HARARE	+263 4 750200, +263 4 758280/9
CBZ Bank Limited	CBZ Bank Ltd 60 Nkwame Nkrumah Avenue HARARE	+263 4 791087, +263 4 748051-75
CABS	CABS Northend Close Northbridge Park Borrowdale HARARE	+263 4 883810
Ecobank Zimbabwe Limited	Ecobank Zimbabwe Limited 2 Pious Road Block A, Sam Levy's Office Park Borrowdale HARARE	+263 4 852622, +263 4 851644-9
FBC Bank Limited	FBC Bank Ltd FBC Centre 45 N. Mandela Avenue HARARE	+ 263 4 770448
Infrastructure Development Bank of Zimbabwe (IDBZ)	Infrastructural Development Bank of Zimbabwe 99 Rotten Row IDBZ House HARARE	+263 4 774227
MBCA Bank Limited	MBCA Bank Limited Old Mutual Centre Third Street HARARE	+ 263 4 250458
MetBank	Metropolitan House 3 Central Avenue HARARE	+263 4 701970
NMB Bank Limited	NMB Bank Limited 1st Floor; Unity Court Kwame Nkrumah Ave HARARE	+263 4 781570
National Building Society (NBS)	National Building Society 53 Samora Machel Avenue HARARE	+263 4 700032, +263 4 705680



NAME OF BANK	PHYSICAL ADDRESS	CONTACT DETAILS
POSB	POSB Cnr Third/Central Avenue Causeway Building HARARE	+263 4 791134
Stanbic Bank Zimbabwe Limited	Stanbic Bank of Zimbabwe Limited 59 Samora Machel Avenue HARARE	+263 4 759489
Standard Chartered Bank	Standard Chartered Bank Old Mutual Centre Cnr: Jason Moyo/3rd Street HARARE	+263 4 252289 +263 4 708585
Tetrad Bank	1st Floor Block 5 Arundel Business Park Mt. Pleasant HARARE	+263 4 704271/5
Steward Bank Limited	Steward Bank 5th Floor, 101 Union Building Kwame Nkrumah Avenue HARARE	+263 4 791475 +263 4 791444/8
ZB Bank Limited	ZB Bank Limited Zimbank House First Street HARARE	+263 4 781601 +263 4 251094 +263 4 759660/61





AUTHORISED DEALERS WITH LIMITED AUTHORITY (ADLAs)

*An **Authorised Dealer with Limited Authority (ADLA)** is a financial services provider authorized by the Reserve Bank of Zimbabwe in terms of the Exchange Control Statutory Instrument 104 of 2015 to carry out small value person to person cross border remittances and buy and sell foreign currency on a spot basis. Under ADLA framework, remittances include cash-to-cash, wire transfers, mobile transfers and mobile companion prepaid card transfers.*

Non-resident Zimbabweans can freely use ADLAs to remit money to Zimbabwe for both consumption and investment purposes.

Table 14: Contact Details of Registered Money Transfer Operators (MTOs)

ADLA	PHYSICAL ADDRESS	CONTACT NUMBER
1. EASYLINK	1st Floor Hardwick House 72-74 Samora Machel Ave, Harare	+263772 105 066 790972/799708/792800
2. FREDEX	16-20 Samora Machel Ave Harare	+2634 770868
3. SEND MONEY HOME	2nd Floor Redbridge Cnr R. Mugabe/3rd street, Harare	+263779 128 530
4. OK MONEY WAVE	OK House 7 Ramon road, Granite side, Harare	+263 4 - 75731 1/5 753348 +263 772 939 954 263773 844 300
5. KAAH EXPRESS	162 Harare street, Harare	+263733 322 999/ 2901 116
6. EXPRESSFIN	6th Floor Angwa City, 50 Angwa Ave, Harare	+263 4 - 758310
7. ECONET	2 Old Mutare Rd Msasa, Harare	+263 4 486121-6/ +263774222219
8. BONGA TRAVEL	Shop 4 Boka Islip House, 34 Samora Machel Avenue, Harare	+263772 270 731
9. SOLTEN FINANCIAL SERVICES	92 Drew Rd Chisipite, Harare	+263 772 421 549
10. SIMUKAI FINANCIAL	2nd Floor ,Travel Plaza Complex 29 Mazowe Street, Harare	+263 778 400 742
11. AFROCOIN	80 Central Avenue, Harare	+263772 224 387
12. QUEST FINANCIAL SERVICES	1st Floor ,Social Security centre Corner 2nd / J. Nyerere Way, Harare	+263 77281 1839
13. TELECEL	148 Seke Road, Graniteside, Harare	+2634748321-7
14. CAMPION BUREAU DE CHANGE t/a HAND2HAND	53B Kennedy Drive Greendale, Harare	+263777 010 185
15. ZIMPOST	Innez terrace street/George Silundika Ave. Harare	+2634773649
16. CBZ	3rd Floor Union House, 60 Kwame Nkrumah Ave, Harare	+2634 748 050
17. STANBIC	59 Samora Machel Ave, Harare	+2634759839/759471-9
18. POSB	6th Floor Causeway Building, Harare	+2634793831/700743/251454/793992 /793994
19. CABS	Northend Close Northridge Park Highlands ,Harare	+2634 883 823-56
20. FBC	2nd Floor FBC Center 45 Nelson Mandela Ave, Harare	+2634759799/783203-9
21. STEWARD BANK	3rd floor 101 Kwame Nkrumah, Harare	+2634253673/700628



ADLA	PHYSICAL ADDRESS	CONTACT NUMBER
22. ECOBANK	Sam Levy Office Park 2 Piers Rd Borrowdale, Harare	+2634-851 642
23. BANCABC	1 Endeavour Crescent Mt Pleasant Business Park, Harare	+2634 369 260
24. METROPOLITAN	No. 3 Central Avenue, Harare	+2634704445, +2634700789/703414/706872
25. NMB	1st Floor Unit Court Kwame Nkrumah Ave, Harare	+2634 759 651-9
26. SUPERDEAL ENTERPRISES t/a KWIK FOREX	Shop 10B Harare International airport, Harare	+263772 685 845/ +263733658214
27. SCARLET	17182 Glenelg Avenue, Borrowdale, Harare	+2634 870752
28. BARNFORDS	66 Central Avenue, Harare	+263772 224 091
29. ZIMEXPRESS	1st Floor Divaris Shopping Center Cnr Princess/Burton Road Belvedere, Harare	+263772 360 180
30. NISSI GLOBAL	Suite no. 4,Peppermint Place Cnr 11th ave/G. Silundika street, Bulawayo	+26377 772 506

Source: Exchange Control Division, Reserve Bank of Zimbabwe





12

CONTACT DETAILS FOR
RELEVANT GOVERNMENT
MINISTRIES AND DEPARTMENTS,
AND KEY INSTITUTIONS.

Government Ministries

The Permanent Secretary
Ministry of Macroeconomic Planning & Investment Promotion

The Permanent Secretary
New Government Complex
Corner 4th St & S. Machel Avenue
Harare
Zimbabwe

The Permanent Secretary
Ministry of Finance and Economic Development

New Government Complex
Corner 4th St & S. Machel Avenue
Harare, Zimbabwe
☎ +263 4 794 572-78
🌐 www.zimtreasury.gov

The Permanent Secretary
Ministry of Industry and Commerce

13th Floor Mukwati Building
Cnr: 4th Street/Livingstone Avenue
Private Bag 7708
Causeway
Harare
☎ +263-4-707540/702737/702733/707548/795685
☎ +263-4-253137
✉ mic@mic.gov.zw

The Permanent Secretary
Ministry of Energy and Power Development

John Boyne Building, Cnr Inez Terrace and Speke Avenue.
Private Bag 7758
Causeway
Harare
Zimbabwe
☎ +263 4 733095-9 Or +263 4 799194
☎ +263 4 797956
✉ energy@energy.gov.zw, power@energy.gov.zw, petroleum@energy.gov.zw, recon@energy.gov.zw

The Permanent Secretary
Ministry of Mines and Mining Development

ZIMRE Centre, 5th Floor,
Cnr Leopold Takawira/Kwame Nkrumah
P.O. Box CY 45, Causeway
☎ +263-4-752605/7
☎ +263-4- 759298
🌐 www.mines.gov.zw

The Permanent Secretary
Ministry of Youth, Indigenisation and Economic Empowerment

20th Floor, Mukwati Building
Cnr Livingstone and 5th Street
Harare
☎ +263-4-703054
🌐 www.myiee.gov.zw

Regulatory Authorities

Reserve Bank of Zimbabwe

The Governor
80 S. Machel Avenue
P.O. Box 1283, Harare
☎ +263 4 703 000
☎ +263 4 796399/ 702786
✉ info@rbz.co.zw
🌐 www.rbz.co.zw

Zimbabwe Investment Authority (ZIA)

The Chief Executive Officer
Investment House
109 Rotten Row
P.O. Box 5950, Harare
+263-4-757931-5/759115/756170
☎ +263-773843
✉ info@zia.co.zw,
🌐 www.zia.co.zw

The Chief Executive Officer (CEO)
Zimbabwe Stock Exchange

4 Ridgeway North
Highlands
Harare
☎ +263-4-886830-5
✉ info@zse.co.zw
🌐 www.zse.co.zw

Commissioner General
Zimbabwe Revenue Authority

Kurima House
Cnr Nelson Mandela Ave/ 4th Street
Kurima House
Harare
☎ (04) 795720-25, 781345, 770168
🌐 www.zimra.co.zw



The Chief Executive Officer
Securities and Exchange Commission of Zimbabwe
20 York Avenue
Newlands
Harare
Zimbabwe
☎ +263 4 7765111, +263 4 776166, +263 4 776560
🌐 www.seczim.co.zw

The Director
Environment Management Agency
685/686 Lorraine/Faber Drive
Bluffhill
Harare, Zimbabwe
☎ +263 4 305550
✉ eep@ema.co.zw
🌐 www.ema.co.zw

Department of Deeds Companies & Intellectual Property

Century House, East, 38 Nelson Mandela Avenue,
Harare
☎ +263 4 777373, 775545-6
☎ +263 4 777372
🌐 www.dcip.gov.zw

Department of Immigration

The Principal Officer
1st Floor
Linguenda House
Corner First Street/ ++Nelson Mandela Avenue
Harare
☎ +263 4 791911-19
🌐 www.zimimmigration.gov.zw

The Chief Executive Officer
Zimbabwe Tourism Authority
55 Samora Machel Avenue, Harare
☎ +263 4 758 712
🌐 www.zimbabwetourism.net

ZimTrade
904 Premium Close
Mount Pleasant Business Park
Harare
☎ +263 4 369330-4, +263 8677000374
✉ info@czi.co.zw 🌐 www.zimtrade.co.zw

General Manager
Minerals Marketing Corporation of Zimbabwe
90 Mutare Road, Msasa, Harare
☎ +263 4 486945/8
☎ +263 4 487138
✉ administrator@mmcz.co.zw
🌐 www.mmcz.co.zw

The Managing Director
Chengetedzai Depository Company Limited
No. 1 Armagh Avenue
Eastlea, Harare
Zimbabwe
☎ +263 4 746352, +263 4 746386
✉ info@chengetedzai.co.zw 🌐 www.chengetedzai.co.zw

Advocacy Organisations

Zimbabwe National Chamber of Commerce
Zambia House 5th Floor
48 Kwame Nkrumah Avenue
Harare, Zimbabwe
☎ +263 4 2935530-31
☎ +263 779 551 341
🌐 www.znnc.co.zw

Confederation of Zimbabwe Industries (CZI)
The President
31 J. Chinamano Avenue
P.O. Box 3704, Harare
☎ +263 4 251490-6
✉ info@czi.co.zw

The Chief Executive Officer
Chamber of Mines
20 Mount Pleasant Drive
Mount Pleasant, Harare, Zimbabwe
☎ +263 4 334517, +263 4 334507, +263 782 708 397
✉ Info@chamines.co.zw
🌐 www.chamberofminesofzimbabwe.com

Bankers Association of Zimbabwe
14177 Gunhill Avenue
P.O. Box 10521
Gunhill
Harare
Zimbabwe
☎ +263 4 744686/744987
✉ sue@baz.org.zw 🌐 www.baz.org.zw



Reserve Bank of Zimbabwe Subsidiaries

The Chief Executive Officer

Homelink (Private) Limited

72-74 Samora Machel Avenue

Hardwicke House

Harare

Zimbabwe

☎ +263 4 792800, +263 4 799706-7, +263 4 790562

✉ enquiries@homelink.co.zw

🌐 www.homelinkzim.com

The Chief Executive Officer

Fidelity Printers and Refiners (Pvt) Limited

No. 1 George Drive

Msasa

Harare

Zimbabwe

☎ +263 4 486670, +263 4 486694, +263 4 487131

🌐 www.fpr.co.zw

The Managing Director

Export Credit Guarantee Corporation (ECGC)

6 Earls Road

Alexandra Park

Harare

Zimbabwe

☎ +263 4 745 565, +263 4 745 869, +263 4 745 452

🌐 www.ecgc.co.zw

The Managing Director

Aurex (Pvt) Limited

No. 1 Hacha Road

Ruwa

Harare

Zimbabwe

☎ +263 273 213 2826, +263 273 2132 864,
+263 273 213 3184

✉ sales@aurex.co.zw

🌐 www.aurex.co.zw

Reserve Bank Foreign Trade and Investment Facilitation Contacts

The Deputy Director

Exports Department

Reserve Bank of Zimbabwe

No. 80 Samora Machel Avenue

Harare

Zimbabwe

☎ +263 4 703000, +263 8677000477

✉ tchitauro@rbz.co.zw

🌐 www.rbz.co.zw

The Deputy Director

Imports Department

Reserve Bank of Zimbabwe

No. 80 Samora Machel Avenue

Harare

Zimbabwe

☎ +263 4 703000, +263 8677000477

✉ ckadungure@rbz.co.zw

🌐 www.rbz.co.zw

The Deputy Director

Foreign Investments Department

Reserve Bank of Zimbabwe

No. 80 Samora Machel Avenue

Harare

Zimbabwe

☎ +263 4 703000, +263 8677000477

✉ fmasendu@rbz.co.zw

🌐 www.rbz.co.zw

The Deputy Director

Exchange Control Inspectorate Department

Reserve Bank of Zimbabwe

No. 80 Samora Machel Avenue

Harare

Zimbabwe

☎ +263 4 703000, +263 8677000477

✉ omasiwa@rbz.co.zw

🌐 www.rbz.co.zw





