

Zimbabwe

Southern Africa Government Grants and Tax Incentives

Export Development Market Incentive

The incentive seeks to encourage the export of local goods that meet the export market requirements. A 200% deduction may be claimed in respect of any export-market development expenditure incurred by the taxpayer during the year of assessment.

Qualifying Criteria

“Export market development expenditure” refers to expenditure, not of a capital nature, that is proved to have been incurred wholly or exclusively for the purpose of seeking opportunities for the export of goods from Zimbabwe, or of creating or increasing the demand for such exports. It includes the following types of expenditure:

- Research into, or obtaining of information relating to, markets outside Zimbabwe
- Research into packaging or presentation of goods for sale outside Zimbabwe
- Advertising goods outside Zimbabwe or otherwise securing publicity outside Zimbabwe
- Soliciting business outside Zimbabwe or participating in trade fairs
- Investigating or preparing information, designs, estimates or other material for the purpose of submitting tenders for supply of goods outside Zimbabwe
- Bringing prospective buyers to Zimbabwe
- Providing samples of goods to persons outside Zimbabwe.

“Goods” refers to anything that has been manufactured, produced, grown, assembled, bottled, canned, packed, graded or processed in Zimbabwe or otherwise dealt with in such manner as the Commissioner may approve.

Anchor Farming Incentive

This is a tax incentive to encourage growth of small and medium sized farmers. A company known as an “anchor company” provides inputs, agronomic advice, and marketing opportunities to a group of farmers under a scheme or contract (out grower farmer). The anchor company will be allowed a deduction of 150% on the amount of any expenditure related to technical and support services that is incurred by it in providing the inputs and services during the year of assessment.

Qualifying Criteria

The expenditure related to technical and support services will be determined by the Minister on a case-by-case basis. At present the model is applicable to the tobacco and maize industry only.

For any assistance regarding the Zimbabwean incentives, please contact Yasmin Masoka at yumasoka@Kpmg.Com