

# NEWSFLASH

## SUBMISSION OF INCOME TAX RETURNS (ITF 12C, ITF12C2, ITF1, CGT1) FOR THE TAX YEAR ENDED 31ST DECEMBER 2020

The Zimbabwe Revenue Authority on 26 March 2021 issued Public Notice 36 of 2021 which provides for a Blanket extension of time for the submission of income tax returns for the tax year ended 31st December 2020.

### Extension of due date for submission of Income Tax Returns

Considering the impact of the lockdown period from January to March 2021 and as a way of decongesting return submissions, the Commissioner issued the Notice referred above to taxpayers to advise of the change in due dates of the final tax returns as stated below:

- a) **30th June 2021** for all taxpayers reporting to Small Clients Office (Harare), Region 2 and Region 3.
- b) **31st July 2021** for all taxpayers reporting to Medium Clients Office (Harare).
- c) **31st August 2021** for all taxpayers reporting to Large Clients Office (Harare).
- d) **31st August 2021** for all persons with Domestic and / or International Related Party Transactions (Transfer Pricing) (ITF12C2).

### Taxpayers with approved Accounting Years

Taxpayers with approved accounting years other than 31 December should ensure that returns are submitted on dates set by the Commissioner General in respect of their accounting periods.

### Dormant Companies

Dormant companies that are registered for tax must submit Nil returns. Dormant companies that are not registered for tax must register and submit Nil returns.

### Foreign currency earnings

Income Tax returns are in general completed in Zimbabwe Dollars but the Commissioner-General can accept returns completed in foreign currency as detailed below:

- a) Taxpayers with gross income mainly in foreign currency but with allowable deductions in local and foreign currency may prepare and submit a single income tax return in foreign currency.

The taxpayers must submit an application in writing to the Commissioner detailing their positions and attach the Income Tax Returns, for **approval of the basis** of submission.

- b) Taxpayers with gross income in both local and in foreign currency can prepare and submit separate income tax returns for taxable income accrued or received in the respective currencies.

The taxpayers must submit an application in writing to the Commissioner detailing their positions and attach the Income Tax Returns, for **approval**. The return in foreign currency must be submitted manually using e-mail addresses provided by ZIMRA for submission of returns.

### Please note that:

In preparing the income tax returns, where apportionment of allowable deductions is required, for purposes of submission of separate returns, taxpayers shall apportion based on the contribution of the respective currencies to total turnover method or any another method as the Commissioner may approve on request.

### Submission of Transfer Pricing Return

All persons with Income from Trade and Investments earned or accrued from **Domestic and /or International Related Party Transactions (Transfer Pricing)** should submit their Income Tax Returns (ITF 12Cs) supported by **Transfer Pricing Return (ITF12C2)**.