

Returning Residents Vehicle Rebates

Who is an immigrant?

“Immigrant” means any person who is a resident of Zimbabwe and enters Zimbabwe on return after having resided the outside country for a period of not less than two years or any shorter period as may be approved by the Minister; (Customs and Excise (Suspension) (Amendment) Regulations, 2022 (No. 257) as contained in statutory instrument 10 of 2022

What is a motor vehicle?

Motor Vehicle is defined as a vehicle admissible under Customs Tariff heading Nos. 87.02, 87.03 and 87.04: Provided that—

- (i) Tariff heading 87.02 shall not apply to vehicles designed for transport of fifteen or more people, including the driver; and
- (ii) Tariff heading 87.04 shall not apply to vehicles whose gross vehicle weight (GVW) exceed five tonne.

Returning residents and other persons coming to settle permanently in Zimbabwe are entitled to duty and VAT free importation of household and personal effects that include motor vehicles.

Who qualifies for the immigrant's rebate?

The rebate is granted to individuals (including their spouses and children) who come to Zimbabwe:

- a) To take up employment or permanent residence; or
- b) As visitors but remain to take up employment or permanent residence; or
- c) As diplomats but remain to take up employment or permanent residence or to attend any educational institution; or
- d) For the purpose of attending any educational institution.
- e) To any person who has previously resided or has been employed in Zimbabwe and is returning to Zimbabwe after having resided outside Zimbabwe for a period of not less than two years.

What kind of goods can be imported under the Immigrant's rebate?

An immigrant can import duty free any personal and household effects such as clothing, linen and furniture. Household goods exclude firearms, motor vehicles and motor caravans.



Suspension of Duty on Immigrant's Vehicle

Motor vehicles imported by returning residents were all along not being charged Customs duty and VAT under the immigrant's rebate. First, a rebate of duty provides for the automatic removal of Customs duty and VAT and secondly a suspension of duty provides for removal of the Customs duty but VAT remains payable unless the VAT is specifically exempted by regulations.

Who qualifies for the suspension of duty?

The suspension is granted to individuals (including their spouses and children) who has previously resided or has been employed in Zimbabwe and is returning to Zimbabwe after having resided outside Zimbabwe for a period of not less than two years.

What does the suspension of duty mean?

The qualifying vehicles will be imported into the country duty free but VAT will be charged. The duty suspension is applicable to vehicles with values not more than \$40 000.00. Vehicles with values more than US\$40 000.00 will pay duty on the excess amount and VAT will be charged on the full amount.

Type of vehicles that can be imported under the suspension of duty?

An immigrant can import one vehicle for personal use and not for commercial purposes, for example, commuter omnibuses and vehicles of a gross weight exceeding 5 tonnes. The qualifying vehicles are listed in the Statutory Instrument 10 of 2022

Please Note: No person under the age of 16 is allowed to import a vehicle under the suspension.

What conditions should be met at the time of importation

1. The vehicle should have been owned by the immigrant **six months** prior to the time of his/her arrival
2. The vehicle must also be in physical existence and **fully paid for by the immigrant** before the time of arrival.
3. The value of the vehicle must not exceed **US\$40 000.00**

What is time of arrival?

1. For an immigrant who has previously resided or has been employed in Zimbabwe and who:-
 2. i) has been on a course of study, is the first occasion on which the immigrant returns to Zimbabwe after successfully completing such course of study; or
 3. ii) has been on contract of employment, is the first occasion on which the immigrant returns to Zimbabwe after the expiry of such contract; or
 - iii) has been on an extended absence for any other reason, is the first occasion on which the immigrant returns to Zimbabwe:



2. For a former resident who enters Zimbabwe as a visitor and does not depart from Zimbabwe shall be deemed to be the first occasion on which the immigrant imports the vehicle within three months from the grant of the permanent returning resident status.

What documents does one need to submit to be considered for the immigrant's suspension?

1. Proof of employment or residence permit
2. Proof that one has completed studies for a person who has been pursuing studies
3. Proof that one has terminated contract of employment for a person who has been on a contract of employment
4. Proof of absence from Zimbabwe for a person who has been on an extended absence from Zimbabwe
5. A declaration on prescribed form stating that the effects and other goods were owned by the immigrant at the time of arrival and at their time of importation
6. A declaration stating that a suspension has not been granted to him/her in respect of a motor vehicle during the previous four years
7. A declaration that the vehicle is intended for the immigrant's own use in Zimbabwe and will not be used for trade or commercial purposes
8. A written undertaking that the vehicle will not be sold or disposed of in any manner and that the immigrant shall not leave Zimbabwe for a period of more than six months within 24 months of arrival
9. A written undertaking to pay such duty as may become due if one decides to sell or dispose of in any manner or if he/she decides to leave Zimbabwe for a period of more than six months within 24 months of clearance
10. A written undertaking to notify the Commissioner General of ZIMRA of any change in residential address within 14 days of the change of address
11. Satisfactory evidence relating to the acquisition, ownership or purchase of the goods
12. Undertaking Form 170 for personal and household effects issued in Zimbabwe

Conditions on vehicle cleared under Immigrants' Suspension?

1. A returning resident can only enjoy the suspension of duty once in a period of four years.
2. Full duty is payable should one want to dispose the vehicle within one year of importation after enjoying a suspension of duty.
3. It is also now a requirement that anyone who enjoyed a duty suspension inform the Commissioner General of change of address within fourteen days
4. The beneficiary must report to the nearest Customs Office once every year



5. An immigrant who has been granted a suspension of duty who emigrates or departs from Zimbabwe for a period of more than six (6) months within 24 months from the date the suspension was granted shall remove the goods from Zimbabwe on his departure, unless prior written permission is granted by the Commissioner General of ZIMRA to leave the effects in Zimbabwe and the duty which would have been payable at the time of granting the suspension is paid

NB: Any violation of any of the above conditions makes the goods liable to seizure. Misuse or attempts to misuse the provision on suspension is an offence in terms of section 174 and 184(g) of the Customs and Excise Act [Chapter 23:02] and can result in prosecution or penalties or seizure of the goods.

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