

Economy Profile  
Zimbabwe

# Doing Business 2020

Comparing Business  
Regulation in  
**190** Economies



WORLD BANK GROUP

**Economy Profile of Zimbabwe**

*Doing Business 2020 Indicators  
(in order of appearance in the document)*

<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as postfiling processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Employing workers</b>	Flexibility in employment regulation and redundancy cost

## About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.


*Doing Business* captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. *Doing Business* also measures features of employing workers. Although *Doing Business* does not present rankings of economies on the employing workers indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

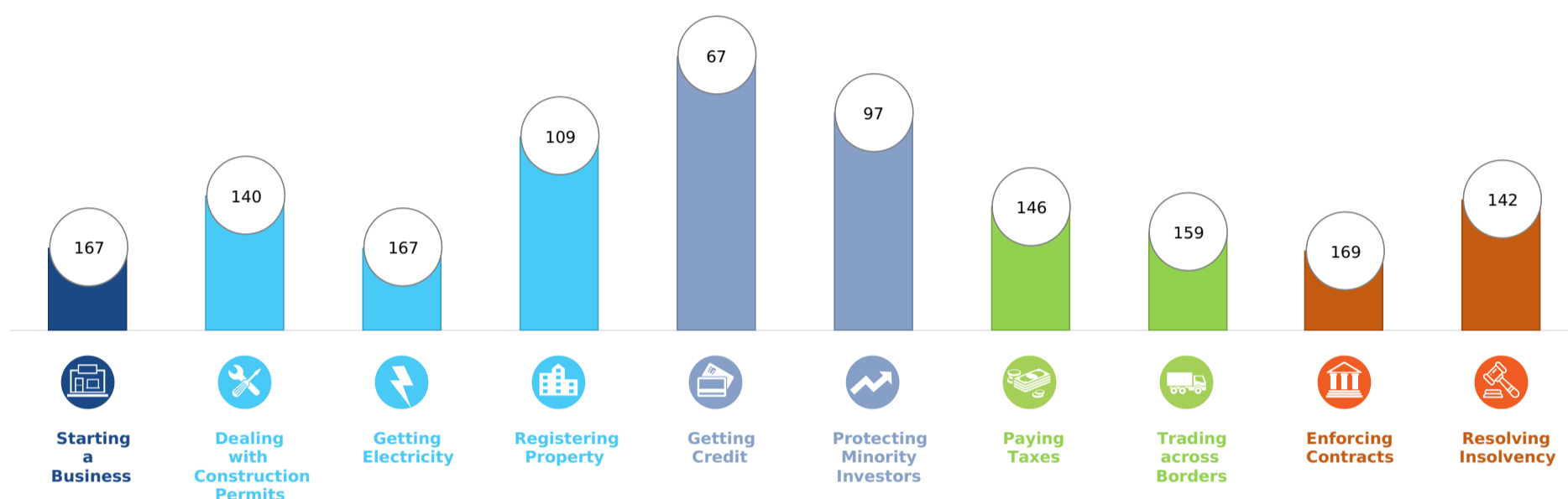
In addition, *Doing Business* offers detailed [subnational studies](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These studies provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

The first *Doing Business* study, published in 2003, covered 5 indicator sets and 133 economies. This year's study covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

To learn more about *Doing Business* please visit [doingbusiness.org](http://doingbusiness.org)

Ease of Doing Business in <b>Zimbabwe</b> 	<b>Region</b>	Sub-Saharan Africa	<b>DB RANK</b>	<b>DB SCORE</b>
	<b>Income Category</b>	Lower middle income	140	54.5
	<b>Population</b>	14,439,018		
	<b>City Covered</b>	Harare		

Rankings on Doing Business topics - Zimbabwe



Topic Scores



<b>Starting a Business (rank)</b> 167 Score of starting a business (0-100) 72.0 Procedures (number) 9 Time (days) 27 Cost (number) 76.6 Paid-in min. capital (% of income per capita) 0.0	<b>Getting Credit (rank)</b> 67 Score of getting credit (0-100) 65.0 Strength of legal rights index (0-12) 6 Depth of credit information index (0-8) 7 Credit registry coverage (% of adults) 8.8 Credit bureau coverage (% of adults) 50.2	<b>Trading across Borders (rank)</b> 159 Score of trading across borders (0-100) 54.3 <i>Time to export</i> Documentary compliance (hours) 99 Border compliance (hours) 88 <i>Cost to export</i> Documentary compliance (USD) 170 Border compliance (USD) 285 <i>Time to export</i> Documentary compliance (hours) 81 Border compliance (hours) 228 <i>Cost to export</i> Documentary compliance (USD) 150 Border compliance (USD) 562
<b>Dealing with Construction Permits (rank)</b> 140 Score of dealing with construction permits (0-100) 60.0 Procedures (number) 10 Time (days) 178 Cost (% of warehouse value) 12.6 Building quality control index (0-15) 10.0	<b>Protecting Minority Investors (rank)</b> 97 Score of protecting minority investors (0-100) 54.0 Extent of disclosure index (0-10) 8.0 Extent of director liability index (0-10) 2.0 Ease of shareholder suits index (0-10) 5.0 Extent of shareholder rights index (0-6) 6.0 Extent of ownership and control index (0-7) 3.0 Extent of corporate transparency index (0-7) 3.0	<b>Enforcing Contracts (rank)</b> 169 Score of enforcing contracts (0-100) 39.7 Time (days) 410 Cost (% of claim value) 83.1 Quality of judicial processes index (0-18) 6.5
<b>Getting Electricity (rank)</b> 167 Score of getting electricity (0-100) 48.6 Procedures (number) 6 Time (days) 106 Cost (% of income per capita) 1,400.6 Reliability of supply and transparency of tariff index (0-8) 0	<b>Paying Taxes (rank)</b> 146 Score of paying taxes (0-100) 58.7 Payments (number per year) 51 Time (hours per year) 242 Total tax and contribution rate (% of profit) 31.6 Postfiling index (0-100) 52.4	<b>Resolving Insolvency (rank)</b> 142 Score of resolving insolvency (0-100) 32.9 Recovery rate (cents on the dollar) 17.5 Time (years) 3.3 Cost (% of estate) 22.0 Outcome (0 as piecemeal sale and 1 as going concern) 0 Strength of insolvency framework index (0-16) 7.5
<b>Registering Property (rank)</b> 109 Score of registering property (0-100) 59.5 Procedures (number) 5 Time (days) 29 Cost (% of property value) 7.3 Quality of the land administration index (0-30) 10.0		

## Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally start and formally operate a company (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration (for example, name verification or reservation, notarization)</li> <li>• Registration in the economy's largest business city</li> <li>• Postregistration (for example, social security registration, company seal)</li> <li>• Obtaining approval from spouse to start a business or to leave the home to register the company</li> <li>• Obtaining any gender specific document for company registration and operation or national identification card</li> </ul> <p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day (2 procedures cannot start on the same day)</li> <li>• Procedures fully completed online are recorded as ½ day</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul> <p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> <li>• No professional fees unless services required by law or commonly used in practice</li> </ul> <p><b>Paid-in minimum capital (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Funds deposited in a bank or with third party before registration or up to 3 months after incorporation</li> </ul>	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p> <p><b>The business:</b></p> <ul style="list-style-type: none"> <li>-Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the limited liability form most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.</li> <li>-Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>-Performs general industrial or commercial activities such as the production or sale to the public of goods or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes.</li> <li>-Does not qualify for investment incentives or any special benefits.</li> <li>-Is 100% domestically owned.</li> <li>-Has five business owners, none of whom is a legal entity. One business owner holds 30% of the company shares, two owners have 20% of shares each, and two owners have 15% of shares each.</li> <li>-Is managed by one local director.</li> <li>-Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals.</li> <li>-Has start-up capital of 10 times income per capita.</li> <li>-Has an estimated turnover of at least 100 times income per capita.</li> <li>-Leases the commercial plant or offices and is not a proprietor of real estate.</li> <li>-Has an annual lease for the office space equivalent to one income per capita.</li> <li>-Is in an office space of approximately 929 square meters (10,000 square feet).</li> <li>-Has a company deed that is 10 pages long.</li> </ul> <p><b>The owners:</b></p> <ul style="list-style-type: none"> <li>-Have reached the legal age of majority and are capable of making decisions as an adult. If there is no legal age of majority, they are assumed to be 30 years old.</li> <li>-Are in good health and have no criminal record.</li> <li>-Are married, the marriage is monogamous and registered with the authorities.</li> <li>-Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.</li> </ul>

Starting a Business - Zimbabwe

Standardized Company

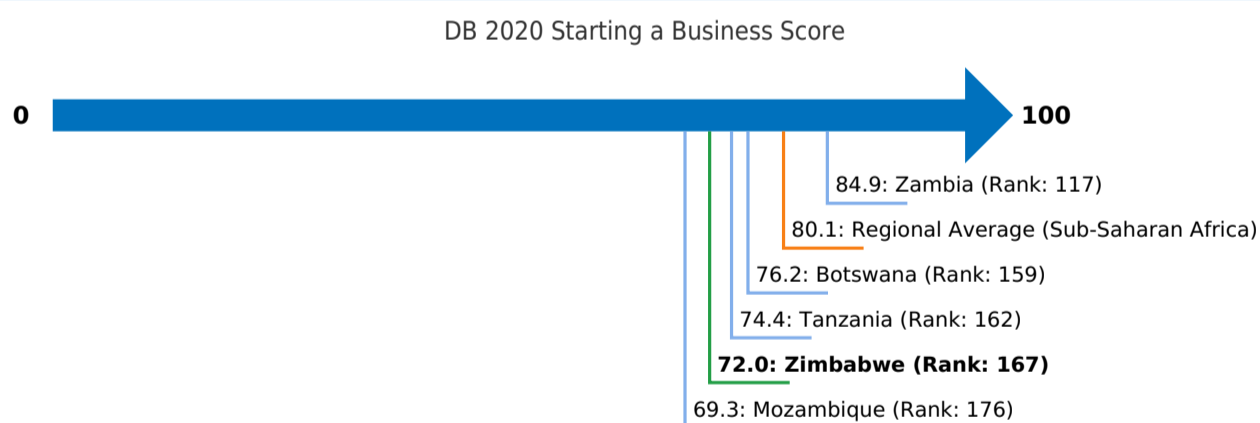
Legal form	Private Limited Liability Company
Paid-in minimum capital requirement	No minimum
City Covered	Harare

Indicator	Zimbabwe	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedure - Men (number)	9	7.4	4.9	1 (2 Economies)
Time - Men (days)	27	21.5	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	76.6	36.3	3.0	0.0 (2 Economies)
Procedure - Women (number)	9	7.5	4.9	1 (2 Economies)
Time - Women (days)	27	21.6	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	76.6	36.3	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.0	9.3	7.6	0.0 (120 Economies)

Figure - Starting a Business in Zimbabwe - Score

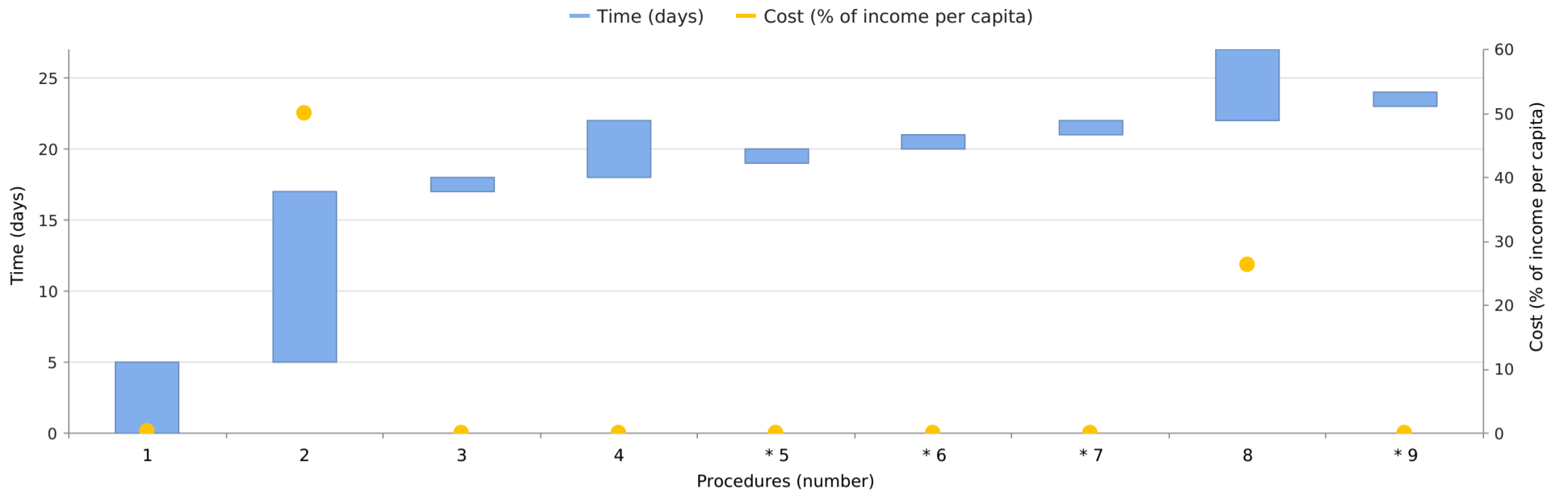


Figure - Starting a Business in Zimbabwe and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Zimbabwe - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

## Details - Starting a Business in Zimbabwe - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Reserve the company name with the Chief Registrar of Companies</b>  <i>Agency</i> : Chief Registrar of Companies  Forms are available online but all documents must be physically lodged at Companies and Deeds Registry. There is now provision to upload documents online without having to physically lodge the documents at the Deeds and Companies Registry. After submitting the forms online it is possible to receive a result via CV4 Form which is sent to the email address used.  The reservation is valid for 30 days and can be extended for another 30 days for an additional fee. If paid via mobile money platform, the fee is U\$5.56.</p>	5 days	USD 5
2	<p><b>File the memorandum and articles of association with the Registrar of Companies</b>  <i>Agency</i> : Registrar of Companies  The law provides for model or boilerplate articles of incorporation. On the date of incorporation, the Registrar of Companies must be notified of the appointments of the company's directors and secretaries. This is done by filing the particulars of the directors and secretaries and any changes therein or a list of directors and principal officers (Form CR 14). These documents must be accompanied by a duplicate original or a printed notarized copy.   Registration Fee is US\$ 5 for every US\$ 100 or part thereof of the nominal/authorized capital of the company with a minimum fee of US\$ 100.  In practice, companies usually start up with a low amount of capital to avoid the exorbitant stamp duty. A company may also issue shares at a premium to circumvent the requirement.</p>	12 days	see procedure details
3	<p><b>Open a bank account</b>  <i>Agency</i> : Bank  Business founders must open a bank account before registration with the Tax Authorities.</p>	1 day	no charge
4	<p><b>Register with the tax authorities for income tax, VAT, and PAYE</b>  <i>Agency</i> : Zimbabwe Revenue Authority  Upon formation, a company must register at the regional Zimbabwe Revenue Authority Office. A copy of the company's certificate of incorporation is required for the Collector's records, along with the memorandum and articles of association and a certified copy of the identification of the assigned public officer. The company will be issued a registration number, as well as the current tax tables and the pay-as-you-earn (PAYE) receipt books. The P8 and P6 Forms now must be generated by the applicant and are not freely available. The ITF 16 Form must be completed in consultation with the Income Tax Office. According to Zimbabwe's Finance Act (as amended), companies must now budget to pay all their company tax within the trading year. The tax must be paid as follows: 10% by the 25th of March, 25% by the 25th of June, 40% by the 25th of September, and the balance of the estimated tax for the tax year by the 20th of December.   Firms with a turnover of US \$60,000 must register for VAT with the Zimbabwe Revenue Authority (ZIMRA). An application must be submitted for a Certificate of Registration (Form VAT 1), which, along with Forms VAT 2 and VAT 3, is found at ZIMRA Web site (<a href="http://www.zimra.co.zw">www.zimra.co.zw</a>). Firms with a turnover of less than US \$60,000 may apply for voluntary VAT registration.</p>	4 days	no charge
⇒ 5	<p><b>Register with the National Social Security Authority for pension and Accident Prevention and Compensation Scheme</b>  <i>Agency</i> : National Social Security Authority  The employer and the employee must each contribute 3.5% of employee the gross monthly salary.</p>	1 day (simultaneous with previous procedure)	no charge
⇒ 6	<p><b>Register with the Manpower Development Fund</b>  <i>Agency</i> : Manpower Development Fund  Employers must register with, and contribute 1% of their wage bill to, the state-run Manpower Development Fund. The fund allows employers to recover expenses when employees complete training.</p>	1 day (simultaneous with procedure 4)	no charge
⇒ 7	<p><b>Pick up the form of license application notice from the City Health Department</b>  <i>Agency</i> : City Health Department  The entrepreneur then retrieves the license application notice form from the City Health Department. This application can now be downloaded from the website and there is no longer a need to pay for its collection.</p>	1 day (simultaneous with procedure 4)	no charge
8	<p><b>Submit an application form for the issuance of new licenses to the Licensing Office in Harare Municipality</b>  <i>Agency</i> : Licensing Office in Harare Municipality  One copy of the application forms are submitted. Depending on the type of businesses, the Licensing Office can seek a report from the Harare Town Planner to ensure that the application is consistent with the zoned use of the premises.</p>	5 days	USD 471
⇒ 9	<p><b>Receive inspection by the Licensing Officers</b>  <i>Agency</i> : Licensing Office in Harare Municipality  Officers inspect the company site to check if the workplace premises are suitable for the intended use. The verification criteria used by the officers are specified in the relevant bylaws.</p>	1 day (simultaneous with previous procedure)	no charge

⇒ Takes place simultaneously with previous procedure.



## Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2019. [See the methodology for more information](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally build a warehouse (number)</b></p> <ul style="list-style-type: none"> <li>• Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates</li> <li>• Submitting all required notifications and receiving all necessary inspections</li> <li>• Obtaining utility connections for water and sewerage</li> <li>• Registering and selling the warehouse after its completion</li> </ul> <p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul> <p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> </ul> <p><b>Building quality control index (0-15)</b></p> <ul style="list-style-type: none"> <li>• Quality of building regulations (0-2)</li> <li>• Quality control before construction (0-1)</li> <li>• Quality control during construction (0-3)</li> <li>• Quality control after construction (0-3)</li> <li>• Liability and insurance regimes (0-2)</li> <li>• Professional certifications (0-4)</li> </ul>	<p>To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.</p> <p><b>The construction company (BuildCo):</b></p> <ul style="list-style-type: none"> <li>- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.</li> <li>- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.</li> </ul> <p><b>The warehouse:</b></p> <ul style="list-style-type: none"> <li>- Will be used for general storage activities, such as storage of books or stationery.</li> <li>- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.</li> <li>- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.</li> <li>- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).</li> </ul> <p><b>The water and sewerage connections:</b></p> <ul style="list-style-type: none"> <li>- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.</li> <li>- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.</li> <li>- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.</li> </ul>

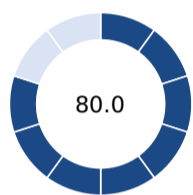
Dealing with Construction Permits - Zimbabwe

Standardized Warehouse

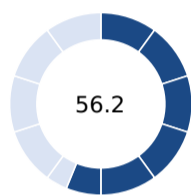
Estimated value of warehouse	USD 89,500
City Covered	Harare

Indicator	Zimbabwe	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedures (number)	10	15.1	12.7	None in 2018/19
Time (days)	178	145.4	152.3	None in 2018/19
Cost (% of warehouse value)	12.6	8.9	1.5	None in 2018/19
Building quality control index (0-15)	10.0	8.9	11.6	15.0 (6 Economies)

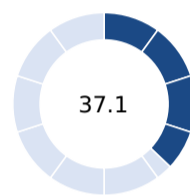
Figure - Dealing with Construction Permits in Zimbabwe - Score



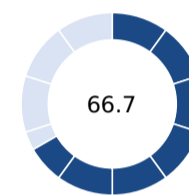
Procedures



Time

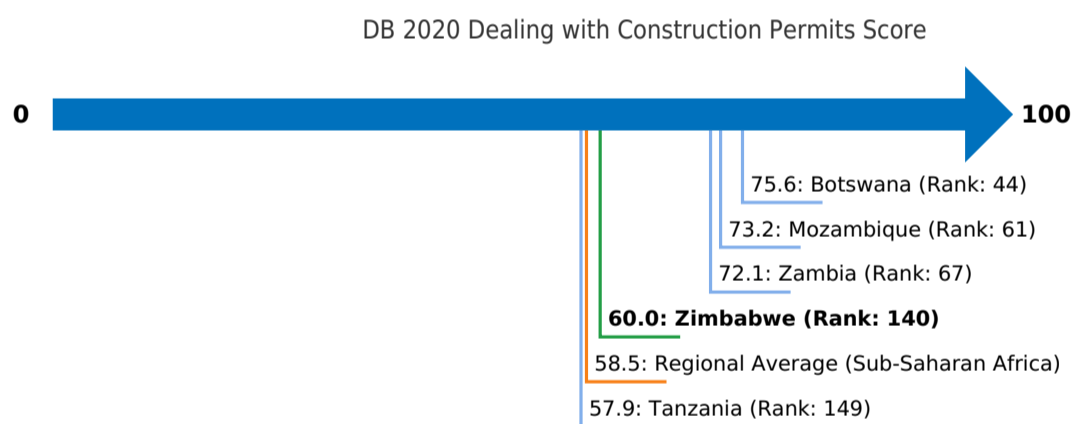


Cost



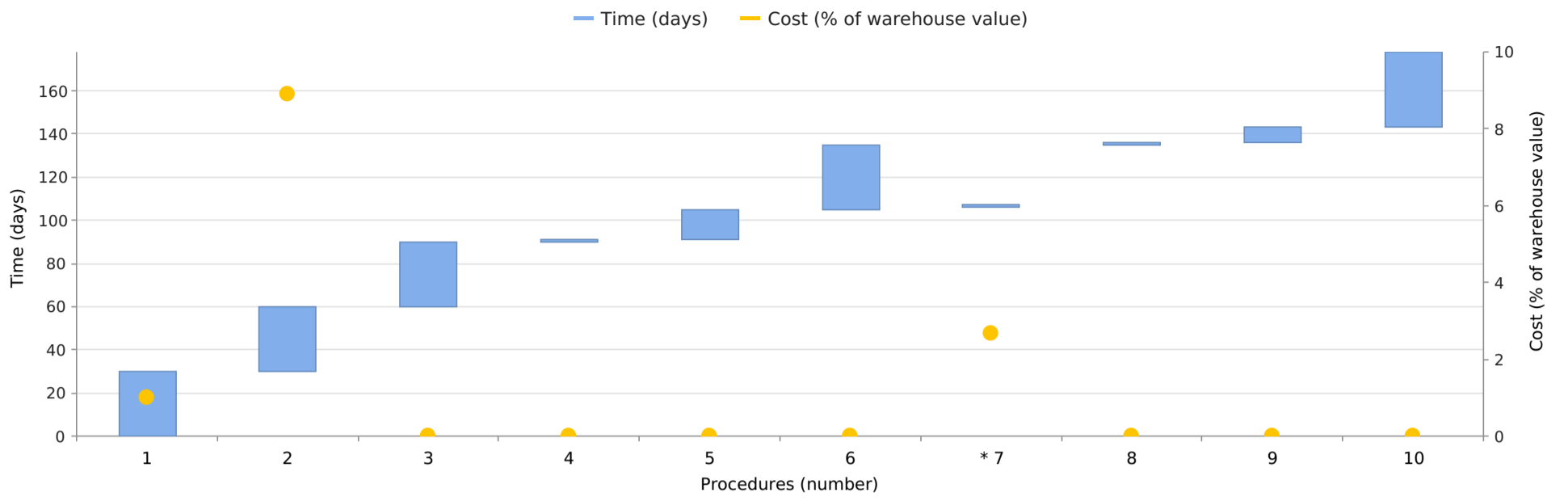
Building quality control index

Figure - Dealing with Construction Permits in Zimbabwe and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

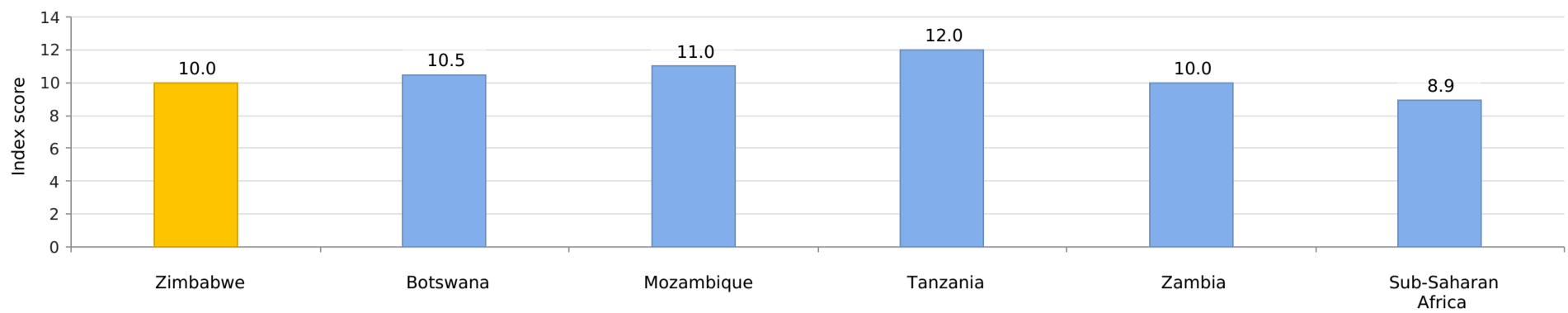
Figure - Dealing with Construction Permits in Zimbabwe - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Zimbabwe and comparator economies - Measure of Quality



## Details - Dealing with Construction Permits in Zimbabwe - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
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1	<b>Request and obtain approval from the Inspector of Factories</b>	30 days	USD 895
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*Agency:* Inspector of Factories

Before an application for approval of building plans can be submitted to the local authority, approval must first be obtained from the Inspector of Factories. This is a separate application and carries its own application fee, established by the Inspector. The approval period is not less than 30 days. The cost is 1% of the project value.

2	<b>Request and obtain building plan approval by the Harare City Council</b>	30 days	USD 7,966
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*Agency:* Harare City Council

BuildCo must submit the following documents at the same time: the building permit application, the application for the factories inspection, the TPD-1 form for the planning permit (only if needed which is not the case for the Doing Business case study), and the architects' and structural engineers' drawings and certificates to the relevant local authority for approvals, under the Regional, Town, and Country Planning Act and the model building bylaws. The application must be accompanied by a completed set of plans for the structure, prepared by a qualified draftsman or architect.

The application is circulated for approval to all departments, including the Department of Works, Highways and Works, Chemical Laboratory and Trade Waste, City Planning, Water and Sewerage, Land Survey, Traffic Engineering, Valuation and Estates, Department of Health, Department of Fire, Department of Housing and Community Services, and Zimbabwe Electricity Supply Authority (ZESA).

Each agency contacts the applicant directly for clarification or rectification, if required. Once all agencies have accepted the plans, the Chief Building Inspector makes a final assessment and issues an approval of building plans to the applicant. The form contains a commencement of work notice that must be submitted by the applicant once the footings are ready for inspection. Subsequently, all phases of the construction must be approved by the Building Inspectorate.

Procedural and approval costs are either 1% or 1.75% of the construction cost, but this varies from one authority to another. The time required for the entire procedure depends on the local authority; in Harare, it is usually not less than 6 months and can be up to a year.

Because the approval cost is based on a percentage of the total construction cost, a certain amount is paid based on the estimated cost. However, the local authority may ask for the difference between the estimate and the actual cost at the end of the project (a common requirement). The cost of completion depends on whether the developer is prepared to fund the pre-purchase option. In addition, many developers close an insurance bond with the building contractor on the value of the construction materials.

Should construction works commence prior to the approval of the building plans the local authority now imposes a "Regularisation Fee", or fine, of US\$5,000.

3	<b>Request and receive inspection from Building Inspectorate upon completion of foundation</b>	30 days	no charge
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*Agency:* Building Inspectorate

Delays frequently occur because the City of Harare inspectors cannot get transportation to inspect a site. Even if offered a lift to the site by the contractor or consultant, the inspectors are not allowed to accept it because they are not insured for travel provided by a third party.

Theoretically, inspections are conducted once a month. A final inspection will occur only if specifically requested (but is required for obtaining the occupancy permit). Theoretically, the builder must stop construction until the inspection is conducted, but doing so is impractical. The City of Harare inspectors generally allow a structural engineer to cover the inspections of foundations. In practice, since 2007 due to lack of fuel and means of transportation, inspections are no longer conducted. Companies use their own engineers for inspections during construction.

4	<b>Inform the Building Inspectorate of the completion of drainage installation</b>	1 day	no charge
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*Agency:* Building Inspectorate

The officially required inspection almost never happens unless the fuel is provided for transportation.

5	<b>Request and receive inspection from the Building Inspectorate upon completion of structure</b> <i>Agency</i> : Building Inspectorate As of 2007, inspections are undertaken by the Chief Building Inspector and a deputy inspector. This change, implemented after allegations that the lower officers were requesting facilitation payments, has caused the time required for this inspection to increase.	14 days	no charge
6	<b>Request and receive inspection by the Building Inspectorate upon completion of construction</b> <i>Agency</i> : Building Inspectorate Inspectors will visit the site only if there is fuel for vehicles, or the applicant provides transportation. Once the inspection has taken place, a protocol is written, which generally takes 30 days.	30 days	no charge
⇒ 7	<b>Request and obtain water and sewage connection from Zimbabwe National Water Authority (ZINWA)</b> <i>Agency</i> : Zimbabwe National Water Authority (ZINWA) In 2007, municipal water supplies have been taken over by a new authority, the Zimbabwe National Water Authority (ZINWA). Obtaining a new connection now requires proof of ownership of the stand and account clearance on any other water billing and is undertaken by the developer (in this case BuildCo) or its agents.  Separate applications are made by the construction company for water and sewerage connections. There may be an additional charge for this determined by the local authority.  BuildCo completes and lodges an application for a "new water connection and supply" form, available at the Water and Sewerage Branch of ZINWA. In addition to the form, BuildCo must provide the following: • A letter of commitment addressed to the Director of Works stating BuildCo's intention to proceed with a connection • A statement of the quality of water required, to determine the appropriate pipe size and meter needed  The branch will issue the applicant a T.W. number and notate the application form. A receipt for the application specifying the fees to be paid is issued. Fees come in two parts, a supply deposit and a connection fee, and would be USD 626.00.  The applicant must take the notated application form and the receipt to the City Treasury Office, pay the required fees, and have the branch receipt machine-endorsed with the payment.  The cost depends on the type of water supply required. The applicant must purchase the water meter; ZINWA are no longer able to supply water meters. Application, connection fee, and account deposit amount to USD 1,764.00 for a 25-millimeter connection. There is no charge for the application, but there is an upfront charge before the connection is made.  The embossed receipt and the application form are returned to the branch, which requests that a job number be issued by the Costing Office. The branch then issues a Location Advice internally for the work to be undertaken. The applicant is required to complete an Installation of Water Service form indicating the site of the connection.  Where fire hose reels on site are required (a requirement under the building bylaws for any industrial/warehouse building exceeding 400 sq. m. in floor area), a 2-inch (50mm) water meter is required.	1 day	USD 2,390
8	<b>Request occupancy certificate</b> <i>Agency</i> : Local Authority	1 day	no charge
9	<b>Request and receive inspection from the local Fire Department on fire equipment installation for occupancy certificate</b> <i>Agency</i> : Fire Department and Building Inspectorate Approval by the Fire Department is required to obtain an occupancy permit. Inspections are made by appointment only. At least one week's notice is required most of the time. The same issues as with other inspections apply (no transportation, long delay). Therefore, in practice, the architect or draftsman picks up the inspector and brings the inspector to the site. Otherwise, it might take weeks before the inspector visits the site.	7 days	no charge
10	<b>Obtain occupancy certificate</b> <i>Agency</i> : Local Authority An occupancy certificate is issued by the local authority once the project is complete and inspected by the Fire Department and the Building Inspector.	35 days	no charge

⇒ Takes place simultaneously with previous procedure.

## Details - Dealing with Construction Permits in Zimbabwe - Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>10.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>1.5</b>
How accessible are building laws and regulations in your economy? (0-1)	Free of charge; Not easily accessible.	0.5
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
<b>Quality control before construction index (0-1)</b>		<b>0.0</b>
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	By law, there is no need to verify plans compliance; Civil servant reviews plans.	0.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
<b>Liability and insurance regimes index (0-2)</b>		<b>0.5</b>
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer.	0.5
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
<b>Professional certifications index (0-4)</b>		<b>3.0</b>
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer; Passing a certification exam.	2.0
What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	University degree in engineering, construction or construction management; Being a registered architect or engineer.	1.0

## ⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

#### Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

#### The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

#### Price of electricity (cents per kilowatt-hour)\*

- Price based on monthly bill for commercial warehouse in case study

\*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor in the ranking on the ease of getting electricity.

### Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

#### The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

#### The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

#### The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.

Getting Electricity - Zimbabwe

Standardized Connection

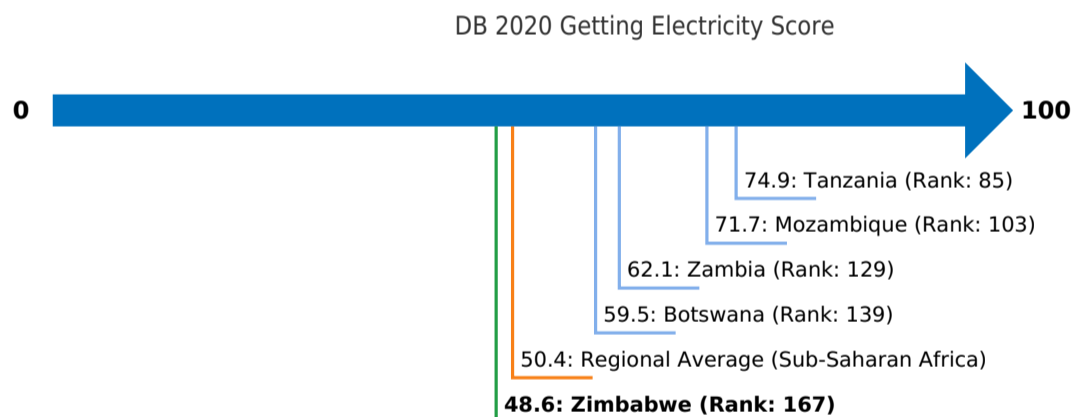
Name of utility	Zimbabwe Electricity Transmission and Distribution Company (ZETDC)
Price of electricity (US cents per kWh)	12.4
City Covered	Harare

Indicator	Zimbabwe	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedures (number)	6	5.2	4.4	3 (28 Economies)
Time (days)	106	109.6	74.8	18 (3 Economies)
Cost (% of income per capita)	1400.6	3,187.5	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	0	1.6	7.4	8 (26 Economies)

Figure - Getting Electricity in Zimbabwe - Score

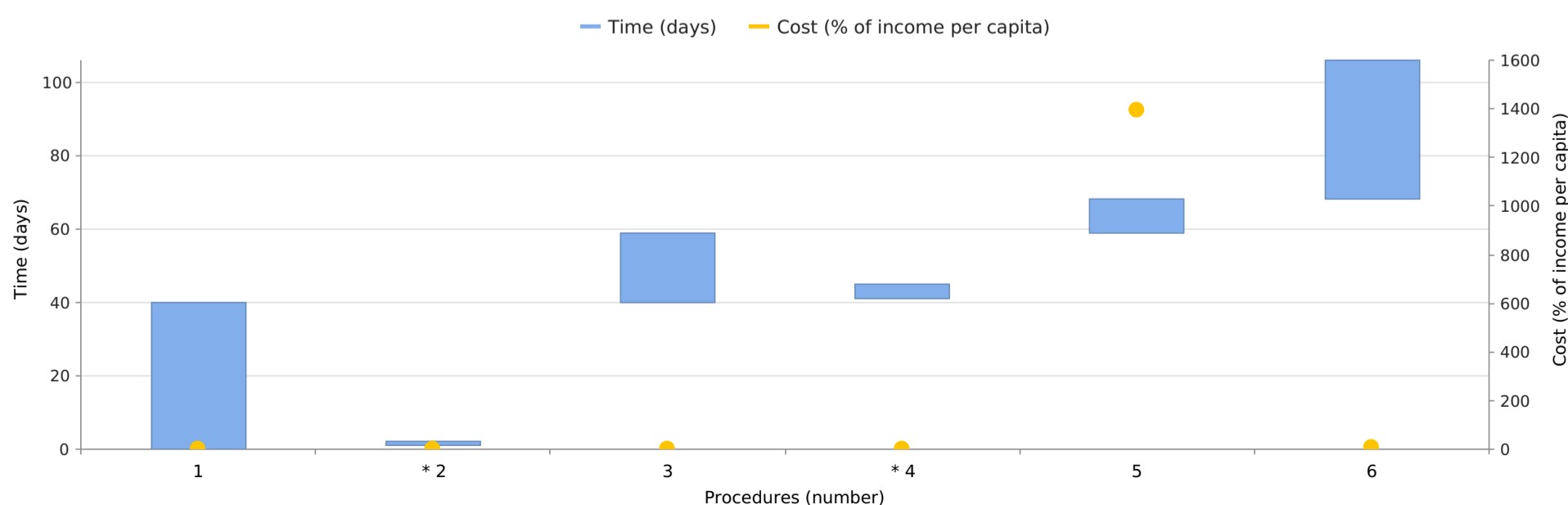


Figure - Getting Electricity in Zimbabwe and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

Figure - Getting Electricity in Zimbabwe - Procedure, Time and Cost



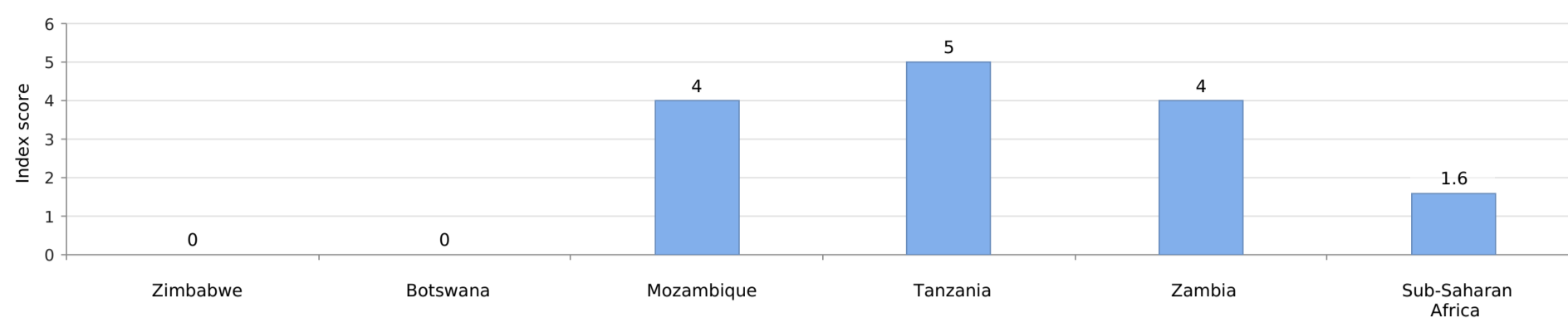
\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures



reflected here, see the summary below.

Figure - Getting Electricity in Zimbabwe and comparator economies - Measure of Quality



## Details - Getting Electricity in Zimbabwe - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Submit application to ZETDC and await right-of-way approvals and quotation</b>  <i>Agency : ZETDC</i>            The application is submitted by the client/electrical contractor in person, along with a copy of the Company Registration Certificate. After the application is submitted ZETDC will be working on issuing the quotation to the client. At this point ZETDC will also seek and obtain way leave approvals from the Municipalities</p>	40 calendar days	USD 0
⇒ 2	<p><b>Await and receive external site inspection by ZETDC</b>  <i>Agency : ZETDC</i>            An external site inspection is carried out by the utility to determine the "supply termination point" and if/ or whether additional material is needed.</p>	1 calendar day	USD 0
3	<p><b>Purchase material for external works</b>  <i>Agency : Local providers</i>            Customers need to buy transformers and switchgear for the utility from local providers. Transformers have to be of ZETDC approved type.</p>	19 calendar days	USD 0
⇒ 4	<p><b>Obtain internal wiring inspection by ZETDC</b>  <i>Agency : ZETDC</i>            On completion of the internal installation the electrician notifies ZETDC and request an internal wiring inspection by submitting the completion form. Electrical standards are issued by the Standards Association of Zimbabwe (SAZ) and ZETDC and requires that ZETDC to do an inspection.</p>	4 calendar days	USD 0
5	<p><b>Obtain installation of transformer by ZETDC</b>  <i>Agency : ZETDC</i>            The transformer is installed by the utility and does the connection between the internal sub-distribution board in the warehouse and the meter board.</p>	9 calendar days	USD 24,947.8
6	<p><b>Obtain meter installation and electricity flow from ZETDC</b>  <i>Agency : ZETDC</i>            The meter is installed by a separate team other than the one doing the connection works. This team does a live test of the connection, tests the cable pressure, installs the meter and energizes the connection.</p>	38 calendar days	USD 122.5

⇒ Takes place simultaneously with previous procedure.

## Details - Getting Electricity in Zimbabwe - Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	0
<b>Total duration and frequency of outages per customer a year (0-3)</b>	0
System average interruption duration index (SAIDI)	..
System average interruption frequency index (SAIFI)	..
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	10.0
<b>Mechanisms for monitoring outages (0-1)</b>	0
Does the distribution utility use automated tools to monitor outages?	No
<b>Mechanisms for restoring service (0-1)</b>	0
Does the distribution utility use automated tools to restore service?	No
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="https://zetdc.co.zw/zetdc-tariffs/">https://zetdc.co.zw/zetdc-tariffs/</a>
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

**Note:**

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

## Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of property value)

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

#### Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0-6)
- Geographic coverage index (0-8)
- Land dispute resolution index (0-8)
- Equal access to property rights index (-2-0)

### Case study assumptions

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

#### The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).
- Are located in the periurban (that is, on the outskirts of the city but still within its official limits) area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Perform general commercial activities.

#### The property (fully owned by the seller):

- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone (that is, on the outskirts of the city but still within its official limits), and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

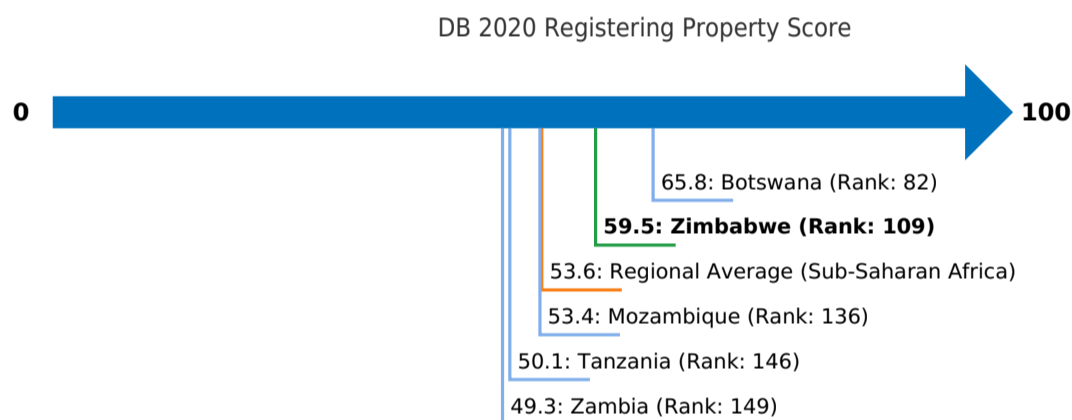
Registering Property - Zimbabwe

Indicator	Zimbabwe	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedures (number)	5	6.1	4.7	1 (5 Economies)
Time (days)	29	51.6	23.6	1 (2 Economies)
Cost (% of property value)	7.3	7.3	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	10.0	9.0	23.2	None in 2018/19

Figure - Registering Property in Zimbabwe - Score

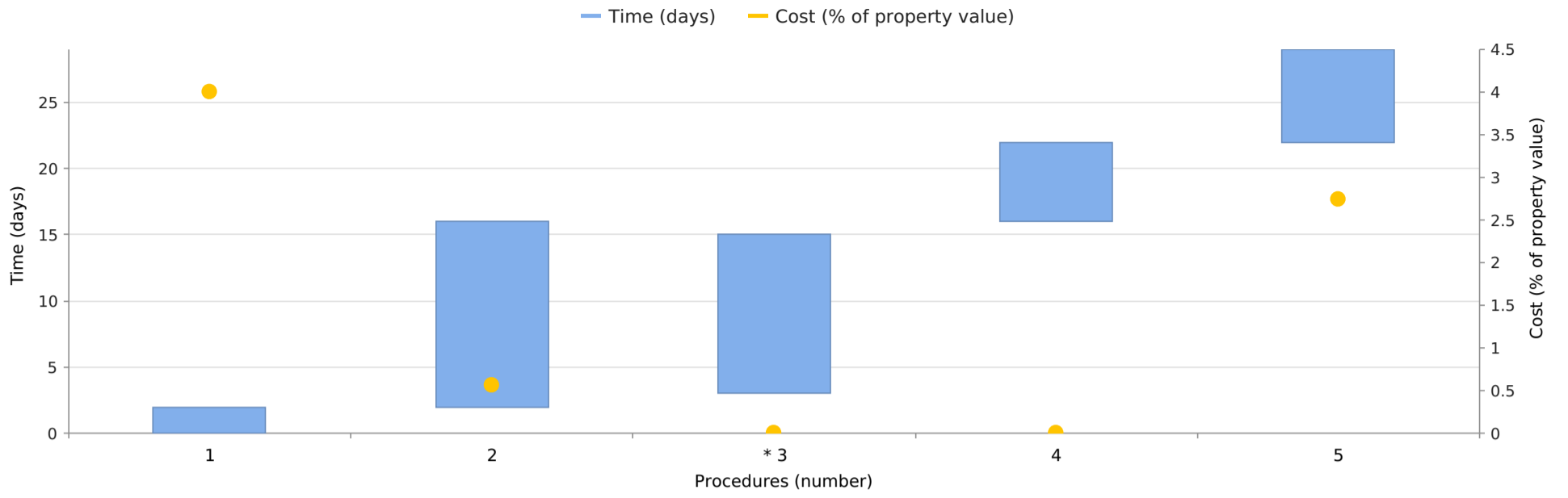


Figure - Registering Property in Zimbabwe and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

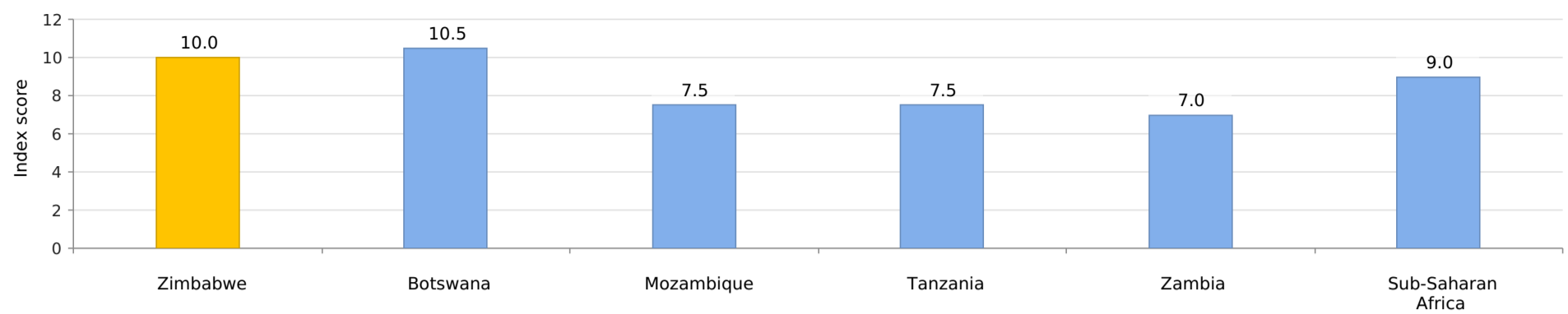
Figure - Registering Property in Zimbabwe - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Registering Property in Zimbabwe and comparator economies - Measure of Quality



Details - Registering Property in Zimbabwe - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>The conveyancer prepares the draft deed, power of attorney to pass transfer as well as declarations for signing by buyer and seller</b>  <i>Agency : Conveyancer</i>                      Upon payment of transfer fees to the conveyance, he will draft a proposal deed of transfer (in duplicate) deriving the powers to do so from the signed and witnessed agreement of sale. In drafting the proposal transfer deed the conveyancer will always refer to the deed from the seller and other information from the Deeds Office. The proposal must also refer to the diagram deed which will be annexed to the first transfer deed.                      The documentation shall include:                      Declaration by seller and by purchaser (for stamp duty purposes)                      Sale agreement                      Power of Attorney to make the transfer</p> <p>A search of the property title is conducted by the Lawyer at the Land Registry</p> <p>Conveyor fees are determined according to the following scale pursuant Law Society of Zimbabwe By-laws S.I. 24/2013 with effect since March 1st, 2013:                      US\$ 400 on first US\$ 10 000.00 and under                      4% on next US\$ 10 000.00 - US\$ 250 000.00 of value,                      3% on next US\$ 250 000.00 - US\$ 500 000.00,                      2% on next US\$ 500 000.00 - 1 000 000.00                      1% on next US\$ 1 000 000.00 and above</p>	2 days	USD 3,580; (Conveyancer's fees: 4% property value +15% VAT)
2	<p><b>The seller applies for the rates clearance certificate to the local authority under whose jurisdiction the property falls</b>  <i>Agency : Local Authority</i>                      This application is performed by a conveyancer (fees already covered by Procedure 1). The local authority will provide an assessment of how much is payable by way of advance rates and outstanding rates, if any. In Zimbabwe there is at the moment no land tax, instead rates are paid to the local authority. So every property in Zimbabwe is subject to these rates paid by the property owner to the municipality or any other local authority for the services provided, like refuse, sewage etc. Before one can transfer a property all the rates due should be paid to the local authority, so it depends on outstanding amount due to the municipality. The rates in Zimbabwe are based on the value of the property, size and whether there are improvements or not. It is also important to note that the value of the property is a function of the location of the property. For the property we are talking about the rates would therefore be around USD 500. When the seller pays the outstanding rates payment he receives what is known as the rates clearance certificate. These rates are paid by the purchaser as pro forma costs, which will then be reimbursed by seller on the date of the transfer for the advance rates paid calculated on pro-rata basis from the date of payment to date of transfer (where purchaser does not have vacant possession or occupation prior to transfer since in this event risk and profit in the property has usually passed in terms of the agreement of sale.)</p> <p>The rates account number has to be supplied in the letter to the rates department. The local authority will only need to be furnished with details of the seller and buyer and their present postal or physical addresses, and description of the property being transferred. The amount to be paid will be dependent on whether there are any rates in arrears plus no less than 3 months rates paid in advance.</p>	14 days	USD 500; (USD 500 (Approx average for high density suburb, though rates constantly increase))

⇒ 3	<b>The seller applies for a capital gains tax clearance certificate (either withholding tax or Capital Gains tax)</b>	12 days	no charge
<p><i>Agency</i> : Zimbabwe Revenue Authority (ZIMRA)</p> <p>The capital gains tax (CGT) is assessed by the Zimbabwe Revenue Authority (ZIMRA), which determines how much is payable by way of capital gains tax. The rate is 20% on the gains and is paid by the seller. If Seller acquired the property before February 2009 then CGT liability is 5% of gross selling price. If property acquired after February 2009, then CGT calculated at 20% of profit assessed from sale. Per methodology, CGT is not included as a cost. The Conveyancer will deliver the file in person to ZIMRA. ZIMRA customer service helps with the computation.</p> <p>The documentation required:</p> <ul style="list-style-type: none"> <li>• Form REV 1</li> <li>• Capital Gains Tax Clearance Application [C.G.T.1] Form</li> <li>• Original and copy of Title Deed</li> <li>• Original and copy of Seller and Buyer C.R.14 (The current list of Directors as registered at the Companies Office)</li> <li>• CR6 form (The company's registered address)</li> <li>• Agreement of Sale signed by both the buyer and seller (which will provide the sale price, the expenses of the conveyancer)</li> <li>• Original and copy of certificate of incorporation for both companies</li> <li>• Proof of payment</li> <li>• Directors' resolution to buy/sell this warehouse by both the buyer and seller (must be signed by the 2 Directors and the Public Officer/Company Secretary)</li> <li>• Original and copies of the ID's of the people mentioned in the Resolution</li> <li>• Contact details of the representative of both companies</li> <li>• Copy of Deed of Transfer</li> </ul> <p>ZIMRA will conduct physical interviews on two directors; one from the selling, and one from the purchasing companies separately. The representatives from each company who are interviewed by ZIMRA are those who sign the Resolution of the Company and are the directors. After verification, ZIMRA will tabulate what is the actual cost of the CGT and will inform the conveyancer of the amount to be paid. A notice of payment is delivered to the Conveyancer providing details of ZIMRA bank account where the payment is to be made.</p>			
4	<b>Payment of Capital Gains Tax and obtain CGT certificate with ZIMRA</b>	6 days	no charge
<p><i>Agency</i> : Zimbabwe Revenue Authority (ZIMRA)</p> <p>When the assessment is issued the seller is given a Business Partner No. which enables to pay capital gains tax. The conveyancer will pay the amount representing the CGT at a commercial Bank. When payment is made one has to wait until the payment is reflected in the ZIMRA account after which a receipt is issued. The receipt will be surrendered to the ZIMRA official who did the interview for him/her to complete and issue the relevant certificate.</p>			
5	<b>Transfer documents are lodged for registration of title with the Registrar of the Deeds' Office</b>	7 days	USD 2,455; (Registration fee USD 20 and Stamp duty: 0 to 5000 = 1% 5000 - 20000 = 2% 20,000 - 100,000 = 3% 100,000 and above = 4%)
<p><i>Agency</i> : Deeds Office</p> <p>The stamp duty is paid upon lodging at the Deeds Office. The copies of the deeds are lodged with the Registrar of Deeds for examination upon payment of the registration fee and the stamp duty (according to Finance Bill 2009, for payments made in foreign currency). The deed is signed (registered) by the Registrar of Deeds or his/her designate. One copy of the deed is filed in the Office of the Registrar of Deed and the second one sent back to the conveyancer for onward transmission to his/her client (the new property owner).</p> <p>The documentation shall include:</p> <ol style="list-style-type: none"> <li>1. Rates clearance certificate (obtained in Procedure 3)</li> <li>2. Capital gains tax clearance (obtained in Procedure 2)</li> <li>3. Two copies of the draft deed</li> <li>4. Power of attorney to pass transfer</li> <li>5. Declaration by seller and buyer</li> <li>6. Original holding deed</li> </ol> <p>The Deeds Office no longer has the capacity of sending the properties for valuation. Unless ZIMRA calls for a valuation of the property sold, once CGT clearance is obtained the Deeds office does not have a basis for sending properties for valuation. Prior to ZIMRA taking over this responsibility, the Deeds office could and did send properties for valuation in case of errors or disagreements regarding the value of the property.</p>			

⇒ Takes place simultaneously with previous procedure.



## Details - Registering Property in Zimbabwe - Measure of Quality

	Answer	Score
<b>Quality of the land administration index (0-30)</b>		<b>10.0</b>
<b>Reliability of infrastructure index (0-8)</b>		<b>1.0</b>
Type of land registration system in the economy:	Deed Registration System	
What is the institution in charge of immovable property registration?	Deeds Registries Office	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Surveyor General's Office	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	No	0.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
<b>Transparency of information index (0-6)</b>		<b>3.5</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.dcip.gov.zw/index.php/deeds/deeds-checklist">http://www.dcip.gov.zw/index.php/deeds/deeds-checklist</a>	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.dcip.gov.zw/index.php/deeds/statutory-fees">http://www.dcip.gov.zw/index.php/deeds/statutory-fees</a>	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe –and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	<a href="http://www.dcip.gov.zw/index.php/deeds/deeds-checklist">http://www.dcip.gov.zw/index.php/deeds/deeds-checklist</a>	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
Number of property transfers in the largest business city in 2018:		
Who is able to consult maps of land plots in the largest business city?	Freely accessible by anyone	0.5
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, on public boards	0.5
Link for online access:		

Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	Yes, in person	0.0
Link for online access:		
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
<b>Geographic coverage index (0-8)</b>		<b>0.0</b>
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city mapped?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
<b>Land dispute resolution index (0-8)</b>		<b>5.5</b>
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	Deeds Registries Act [Chapter 20:05] 1959	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	
Legal basis:	Deeds Registries Act [Chapter 20:05] 1959	
Is there a is a specific, out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Legal basis:		
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Lawyer;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Lawyer;	
Is there a national database to verify the accuracy of government issued identity documents?	No	0.0
What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	High Court of Zimbabwe	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Between 1 and 2 years	2.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	Yes	0.5
Number of land disputes in the economy in 2018:	77.0	
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

## Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Strength of legal rights index (0-12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

#### Depth of credit information index (0-8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

#### Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as a percentage of adult population

#### Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as a percentage of adult population

### Case study assumptions

*Doing Business* assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

#### Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

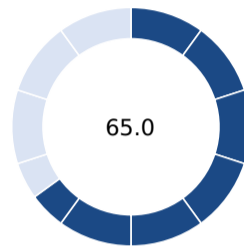
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

Getting Credit - Zimbabwe

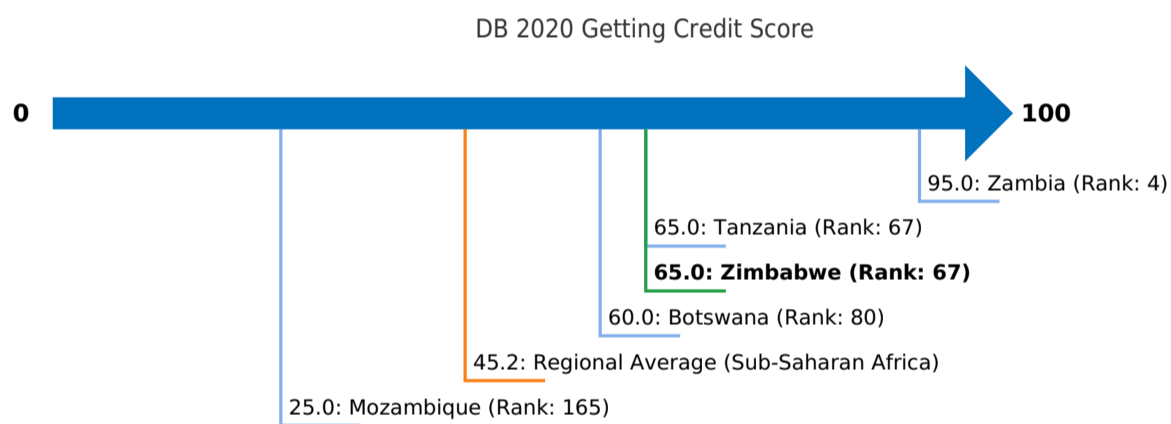
Indicator	Zimbabwe	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	6	5.1	6.1	12 (5 Economies)
Depth of credit information index (0-8)	7	3.9	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	8.8	8.3	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	50.2	11.0	66.7	100.0 (14 Economies)

Figure - Getting Credit in Zimbabwe - Score



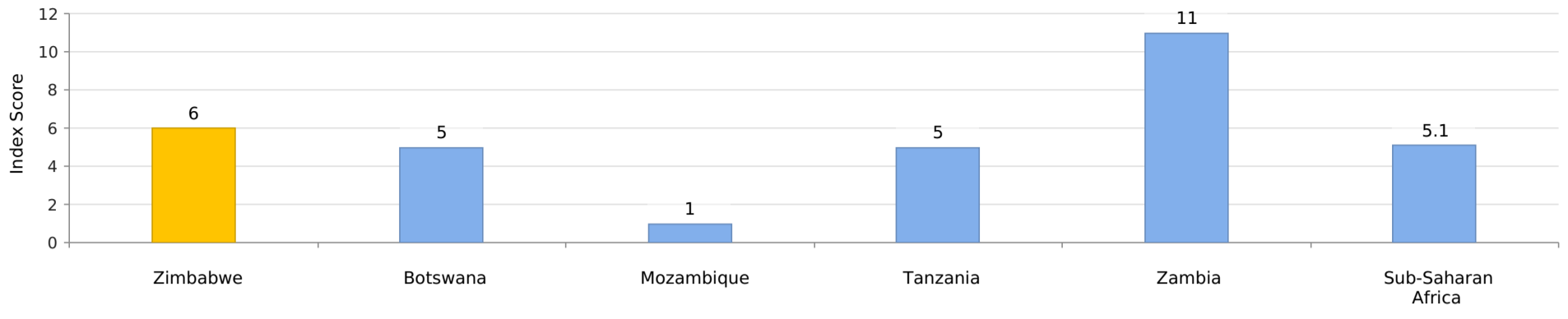
Score - Getting Credit

Figure - Getting Credit in Zimbabwe and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

Figure - Legal Rights in Zimbabwe and comparator economies



Details - Legal Rights in Zimbabwe

Strength of legal rights index (0-12)

6

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy? No

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? Yes

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral? Yes

May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets? Yes

Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered? Yes

Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name? No

Does a notice-based collateral registry exist in which all functional equivalents can be registered? No

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? No

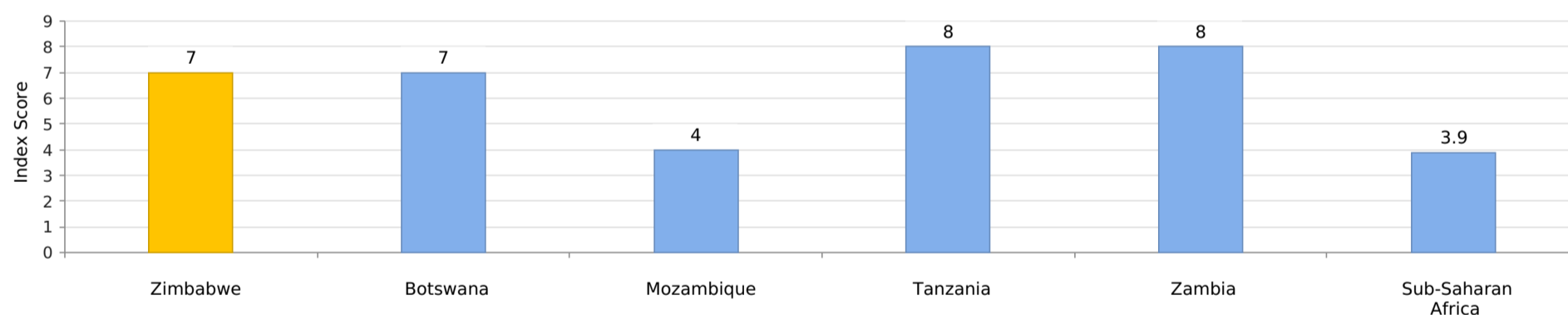
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? Yes

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? Yes

Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it? No

Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? No

Figure - Credit Information in Zimbabwe and comparator economies



## Details - Credit Information in Zimbabwe

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	Yes	1
Are both positive and negative credit data distributed?	Yes	Yes	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	Yes	1
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	No	Yes	1
Are data on loan amounts below 1% of income per capita distributed?	No	Yes	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	No	No	0
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	Yes	1

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	3,602,696	525,142
Number of firms	467,965	3,720
Total	4,070,661	711,625
<b>Percentage of adult population</b>	<b>50.2</b>	<b>8.8</b>

## Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

- **Extent of disclosure index (0-10):** Disclosure, review, and approval requirements for related-party transactions
- **Extent of director liability index (0-10):** Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, disqualification from managerial position(s) for one year or more, rescission of the transaction)
- **Ease of shareholder suits index (0-10):** Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index (0-30):** Sum of the extent of disclosure, extent of director liability and ease of shareholder suits indices
- **Extent of shareholder rights index (0-6):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0-7):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0-7):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0-20):** Sum of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0-50):** Sum of the extent of conflict of interest regulation and extent of shareholder governance indices

### Case study assumptions

To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

#### The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.
- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.
- Is a manufacturing company with its own distribution network.

#### The transaction involves the following details:

- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.



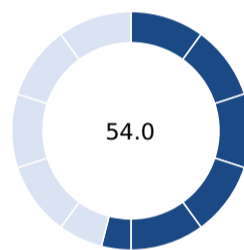
Protecting Minority Investors - Zimbabwe

Stock exchange information

Stock exchange	Zimbabwe Stock Exchange
Stock exchange URL	http://www.zse.co.zw
Listed firms with equity securities	63
City Covered	Harare

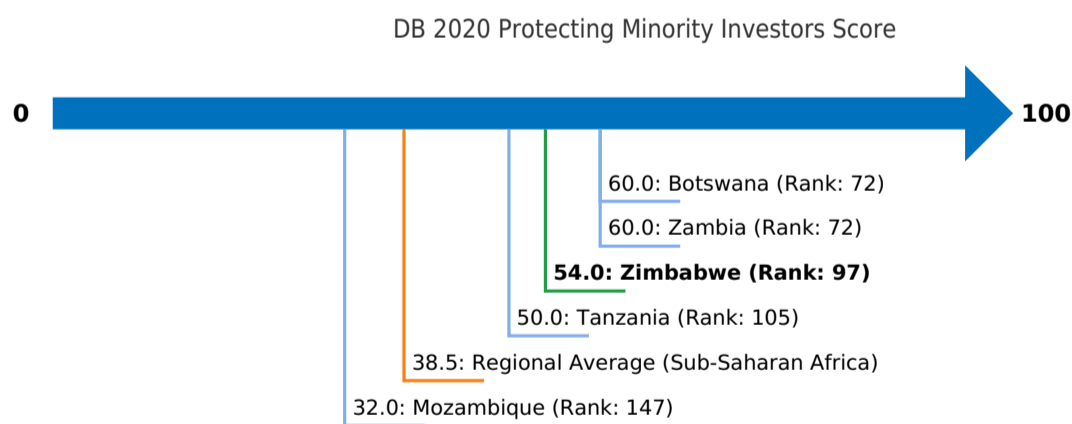
Indicator	Zimbabwe	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	8.0	5.5	6.5	10 (13 Economies)
Extent of director liability index (0-10)	2.0	3.5	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	5.0	5.5	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	6.0	1.8	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	3.0	1.4	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	3.0	1.5	5.7	7 (13 Economies)

Figure - Protecting Minority in Zimbabwe - Score



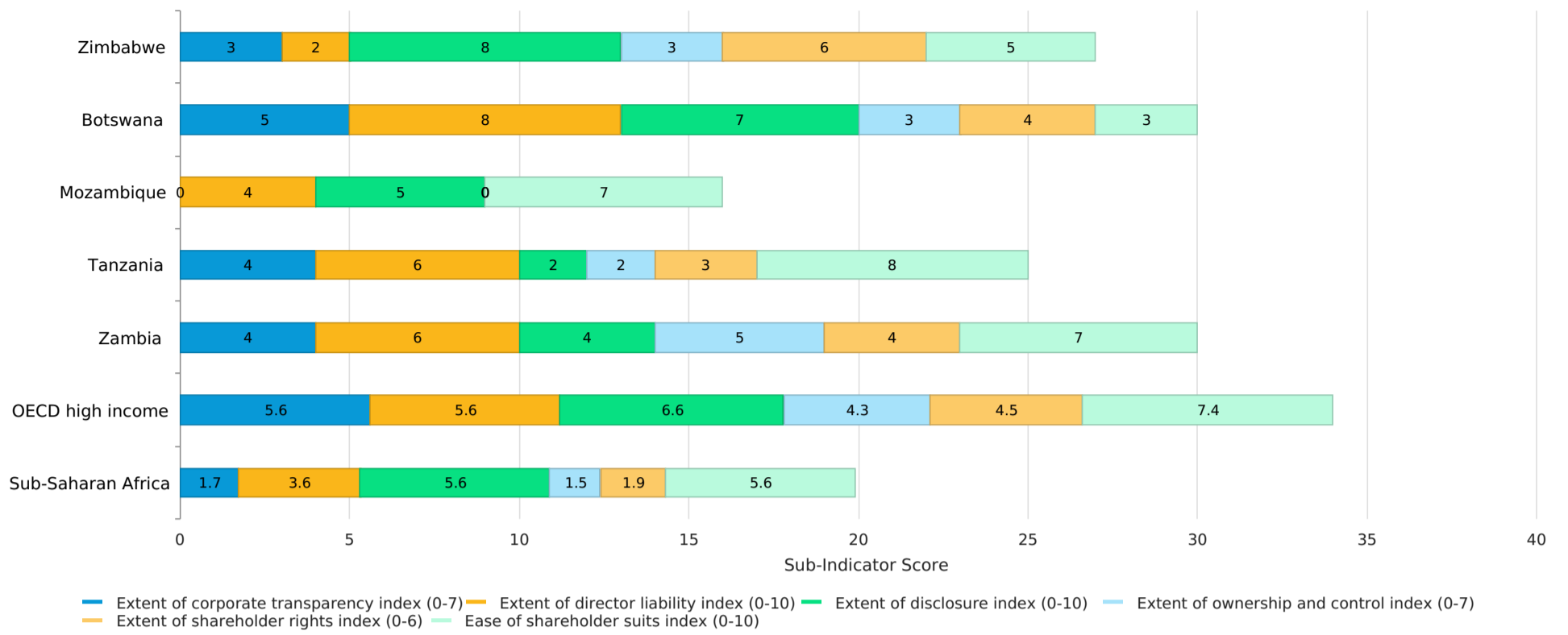
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in Zimbabwe and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Zimbabwe and comparator economies - Measure of Quality



## Details - Protecting Minority Investors in Zimbabwe - Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-30)</b>		
<b>Extent of disclosure index (0-10)</b>		<b>8.0</b>
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Board of directors excluding interested members	2.0
Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction only	1.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
<b>Extent of director liability index (0-10)</b>		<b>2.0</b>
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Not liable	0.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	No	0.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
<b>Ease of shareholder suits index (0-10)</b>		<b>5.0</b>
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	No	0.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
<b>Extent of shareholder governance index (0-20)</b>		
<b>Extent of shareholder rights index (0-6)</b>		<b>6.0</b>
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Do shareholders elect and dismiss the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
<b>Extent of ownership and control index (0-7)</b>		<b>3.0</b>
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	No	0.0
Must the board of directors include independent and nonexecutive board members?	No	0.0

Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	No	0.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	No	0.0
<b>Extent of corporate transparency index (0-7)</b>		<b>3.0</b>
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	No	0.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	No	0.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	No	0.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	No	0.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0

## Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2019 covering for the Paying Taxes indicator calendar year 2018 (January 1, 2018 – December 31, 2018). [See the methodology for more information.](#)

### What the indicators measure

#### Tax payments for a manufacturing company in 2018 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

#### Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Preparing separate tax accounting books, if required
- Completing tax return, filing with agencies
- Arranging payment or withholding

#### Total tax and contribution rate (% of commercial profits)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

#### Postfiling Index

- Time to comply with VAT refund (hours)
- Time to obtain VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

### Case study assumptions

Using a case scenario, *Doing Business* records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2017. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2018). Taxes and mandatory contributions are measured at all levels of government.

#### The VAT refund process:

- In June 2018, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2018.

#### The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

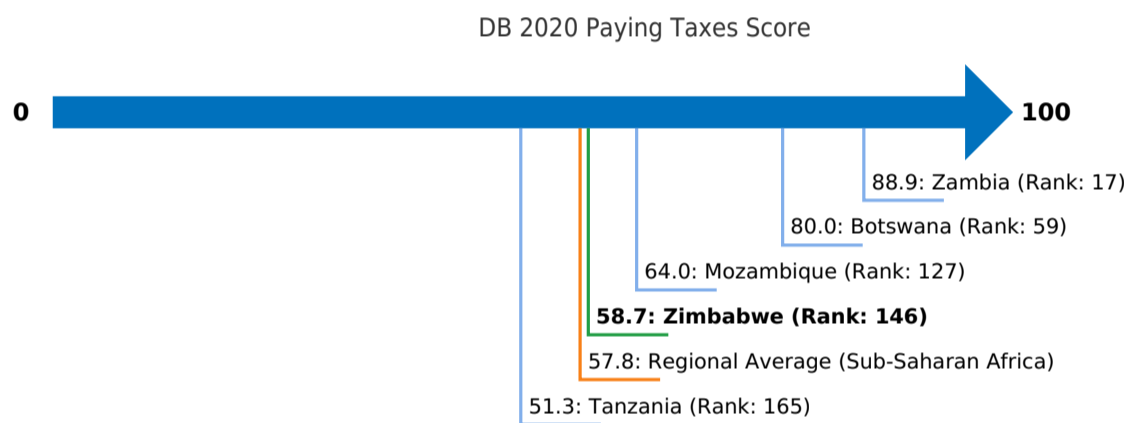
Paying Taxes - Zimbabwe

Indicator	Zimbabwe	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Payments (number per year)	51	36.6	10.3	3 (2 Economies)
Time (hours per year)	242	280.6	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	31.6	47.3	39.9	26.1 (33 Economies)
Postfiling index (0-100)	52.4	54.7	86.7	None in 2018/19

Figure - Paying Taxes in Zimbabwe - Score

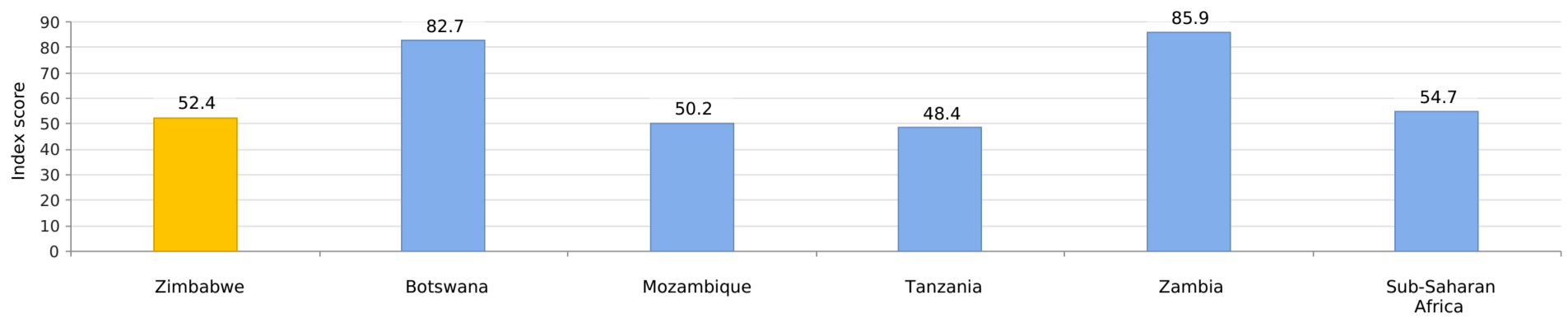


Figure - Paying Taxes in Zimbabwe and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure - Paying Taxes in Zimbabwe and comparator economies - Measure of Quality



## Details - Paying Taxes in Zimbabwe

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Corporate income tax	4.0		78.0	25%	taxable profit	16.93	
Property tax	12.0			various rates	property value	8.15	
Social security contributions	0.0	jointly	96.0	3.5%	gross salaries with ceiling	3.95	
Manpower development duty	12.0			1%	gross salaries	1.13	
Standards development levy	4.0			0.5%	gross salaries	0.56	
AIDS levy	0.0	jointly		3%	surcharge on corporate income tax	0.51	
Capital gains tax	1.0			20%	capital gains	0.20	
Road tax	4.0			\$240	fixed fee	0.18	
Tax on check transactions (stamp duty)	1.0			USD 0.05	per check	0.01	
Tax on interest	0.0			15%	interest income	0.00	
Value added tax (VAT)	12.0		68.0	15%	value added	0.00	not included
Social tax on employee	0.0	jointly		3.5%	gross salaries with ceiling	0.00	
Fuel tax	1.0				included in fuel price	0.00	small amount
Totals	51		242			31.6	



## Details - Paying Taxes in Zimbabwe - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	17.6
Labor tax and contributions (% of profit)	5.6
Other taxes (% of profit)	8.3

## Details - Paying Taxes in Zimbabwe - Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>52.4</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	none	
Percentage of cases exposed to a VAT audit (%)	75% - 100%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	56.0	0.0
Time to obtain VAT refund (weeks)	48.0	13.2
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax correction (hours)	3.5	96.3
Time to complete a corporate income tax correction (weeks)	No tax audit per case study scenario	100

**Notes:** Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

## Trading across Borders

*Doing Business* records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

#### Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

#### Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

### Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

**Time:** Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as  $22 \times 24 = 528$  hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

**Cost:** Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

#### Assumptions of the case study:

- For all 190 economies covered by *Doing Business*, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.
- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000.
- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.
- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.
- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.
- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Zimbabwe

Indicator	Zimbabwe	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	88	97.1	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	285	603.1	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	99	71.9	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	170	172.5	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	228	126.2	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	562	690.6	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	81	96.1	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	150	287.2	23.5	0 (30 Economies)

Figure - Trading across Borders in Zimbabwe - Score

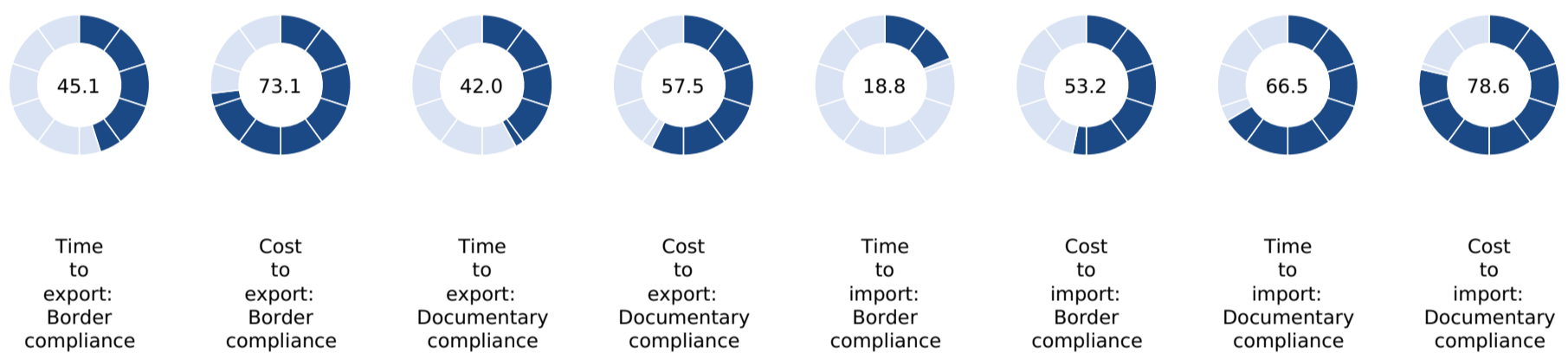
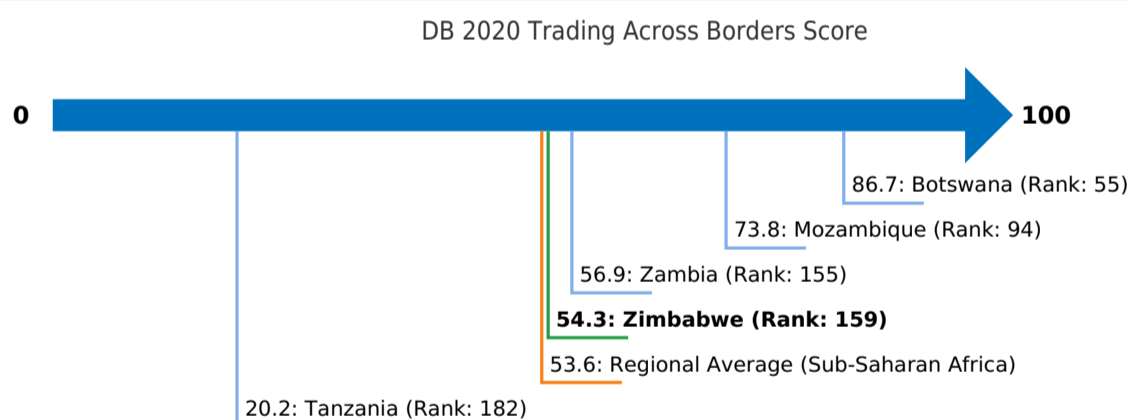
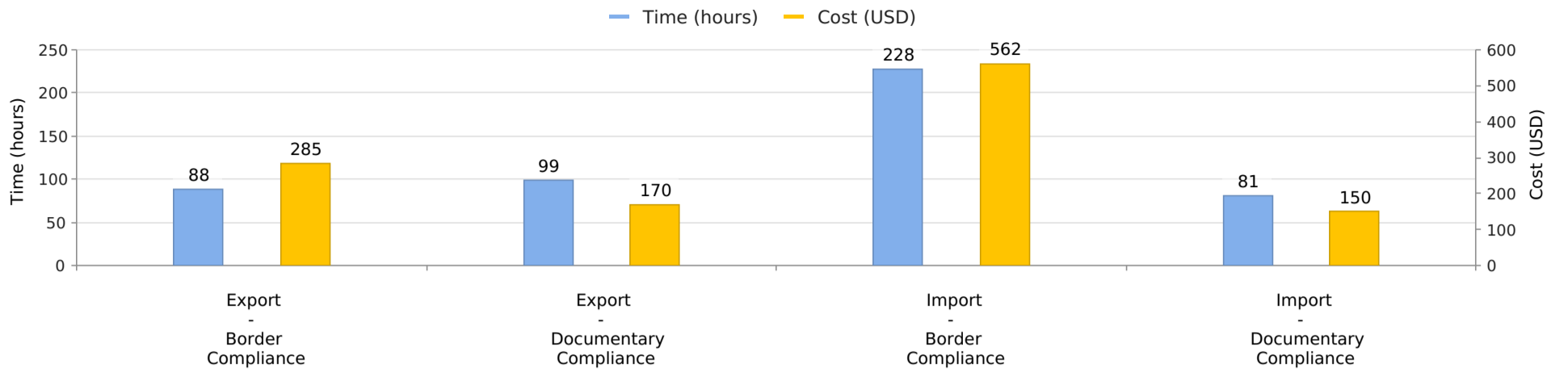


Figure - Trading across Borders in Zimbabwe and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Zimbabwe - Time and Cost



## Details - Trading across Borders in Zimbabwe

Characteristics	Export	Import
Product	HS 24 : Tobacco and manufactured tobacco substitutes	HS 8708: Parts and accessories of motor vehicles
Trade partner	South Africa	South Africa
Border	Beitbridge border crossing	Beitbridge border crossing
Distance (km)	580	580
Domestic transport time (hours)	36	36
Domestic transport cost (USD)	862	1669

## Details - Trading across Borders in Zimbabwe - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	60.7	175.0
Export: Clearance and inspections required by agencies other than customs	25.0	66.7
Export: Port or border handling	23.7	43.3
Import: Clearance and inspections required by customs authorities	41.0	148.3
Import: Clearance and inspections required by agencies other than customs	171.0	350.0
Import: Port or border handling	47.7	63.3

## Details - Trading across Borders in Zimbabwe - Trade Documents

Export	Import
Inland bill of lading	Inland bill of lading
Commercial invoice	Cargo Release Order
Bill of Entry (Form 21)	SADC Certificate of Origin
Exchange Control CD1 Forms	Commercial Invoice
Packing List	Bill of Entry (Form 21)
Transit Entry Documents (SAD500)	Packing list
Export Permit	Transit entry documents (SAD500)
SADC Certificate of Origin	Road Manifest
Phytosanitary Certificate	Value Declaration Form
	Import Permit
	Certificate of Conformity

## Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to enforce a contract through the courts (calendar days)

- Time to file and serve the case
- Time for trial and to obtain the judgment
- Time to enforce the judgment

#### Cost required to enforce a contract through the courts (% of claim value)

- Average attorney fees
- Court costs
- Enforcement costs

#### Quality of judicial processes index (0-18)

- Court structure and proceedings (-1-5)
- Case management (0-6)
- Court automation (0-4)
- Alternative dispute resolution (0-3)

### Case study assumptions

The dispute in the case study involves the breach of a sales contract between two domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.

To make the data on the time and comparable across economies, several assumptions about the case are used:

- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The Buyer orders custom-made furniture, then fails to pay alleging that the goods are not of adequate quality.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The Seller sues the Buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000 whichever is greater.
- The Seller requests the pretrial attachment of the defendant's movable assets to secure the claim.
- The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate.
- The judge decides in favor of the seller; there is no appeal.
- The Seller enforces the judgment through a public sale of the Buyer's movable assets.



Enforcing Contracts - Zimbabwe

Standardized Case

Claim value	USD 5,235
Court name	Harare Magistrates Court
City Covered	Harare

Indicator	Zimbabwe	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Time (days)	410	654.9	589.6	120 (Singapore)
Cost (% of claim value)	83.1	41.6	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	6.5	6.9	11.7	None in 2018/19

Figure - Enforcing Contracts in Zimbabwe - Score

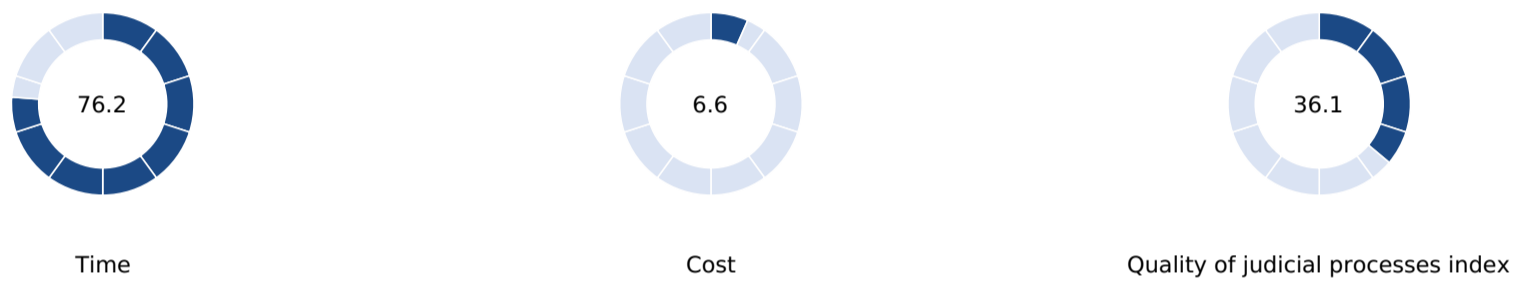
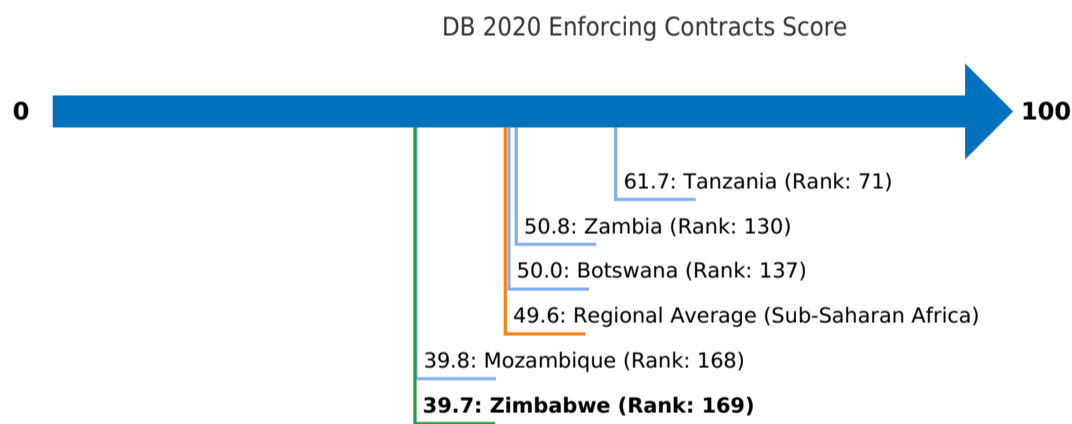


Figure - Enforcing Contracts in Zimbabwe and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Zimbabwe - Time and Cost

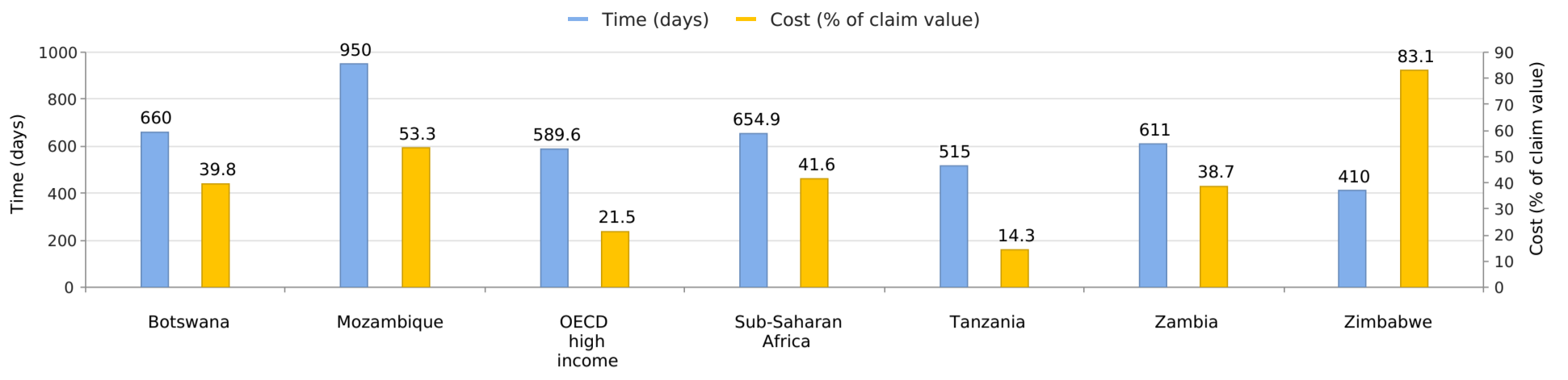
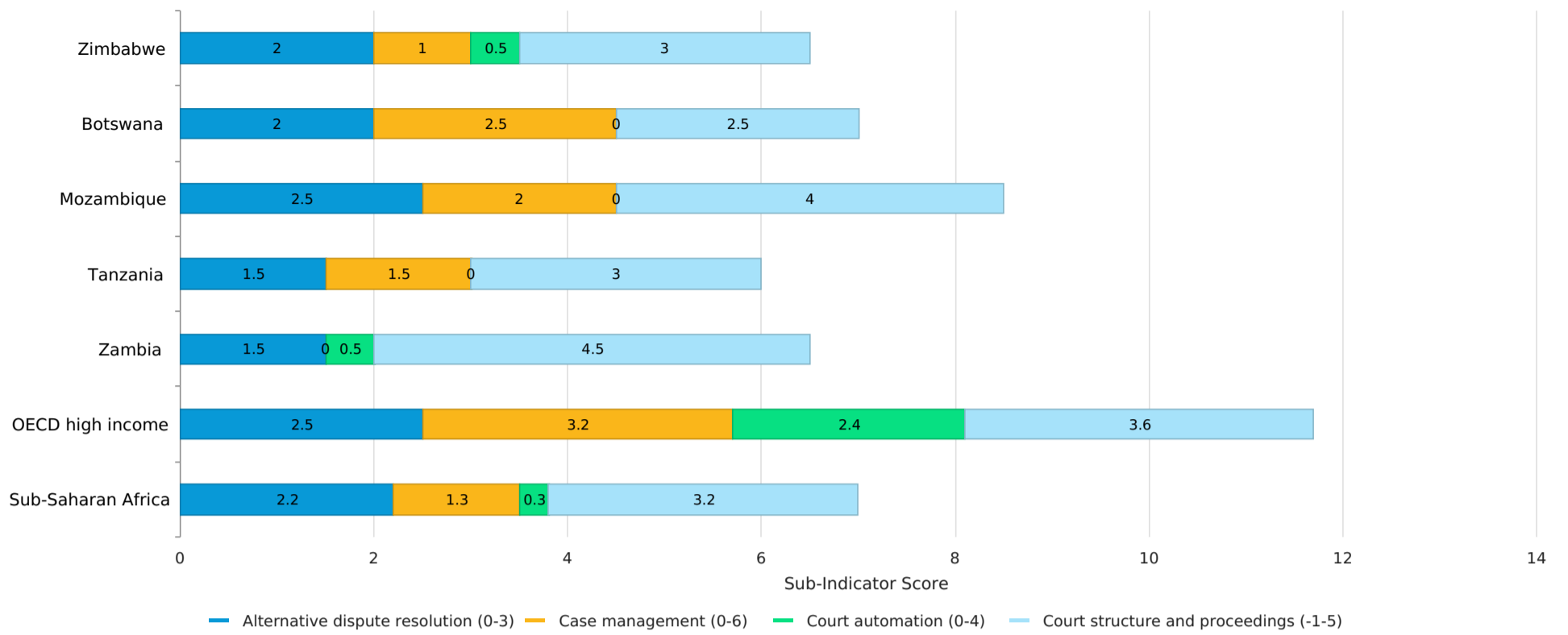


Figure - Enforcing Contracts in Zimbabwe and comparator economies - Measure of Quality



Details - Enforcing Contracts in Zimbabwe

	Indicator
<b>Time (days)</b>	<b>410</b>
Filing and service	14
Trial and judgment	247
Enforcement of judgment	149
<b>Cost (% of claim value)</b>	<b>83.1</b>
Attorney fees	70
Court fees	8
Enforcement fees	5.1
<b>Quality of judicial processes index (0-18)</b>	<b>6.5</b>
Court structure and proceedings (-1-5)	3.0
Case management (0-6)	1.0
Court automation (0-4)	0.5
Alternative dispute resolution (0-3)	2.0

## Details - Enforcing Contracts in Zimbabwe - Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>6.5</b>
<b>Court structure and proceedings (-1-5)</b>		<b>3.0</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>1.0</b>
1. Time standards		0.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	No	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
<b>Court automation (0-4)</b>		<b>0.5</b>
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	No	0.0
4. Publication of judgments		0.5
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
<b>Alternative dispute resolution (0-3)</b>		<b>2.0</b>
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	

2. Mediation/Conciliation	0.5
2.a. Is voluntary mediation or conciliation available?	Yes
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, design)	No
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No

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## Resolving Insolvency

*Doing Business* studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to recover debt (years)

- Measured in calendar years
- Appeals and requests for extension are included

#### Cost required to recover debt (% of debtor's estate)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- Other related fees

#### Outcome

- Whether business continues operating as a going concern or business assets are sold piecemeal

#### Recovery rate for creditors

- Measures the cents on the dollar recovered by secured creditors
- Outcome for the business (survival or not) determines the maximum value that can be recovered
- Official costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Present value of debt recovered

#### Strength of insolvency framework index (0- 16)

- Sum of the scores of four component indices:
- Commencement of proceedings index (0-3)
- Management of debtor's assets index (0-6)
- Reorganization proceedings index (0-3)
- Creditor participation index (0-4)

### Case study assumptions

To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

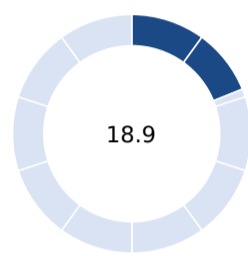
- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

In addition, *Doing Business* evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.

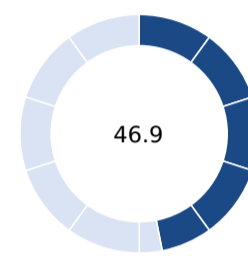
Resolving Insolvency - Zimbabwe

Indicator	Zimbabwe	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	17.5	20.5	70.2	92.9 (Norway)
Time (years)	3.3	2.9	1.7	0.4 (Ireland)
Cost (% of estate)	22.0	22.8	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	7.5	6.5	11.9	None in 2018/19

Figure - Resolving Insolvency in Zimbabwe - Score

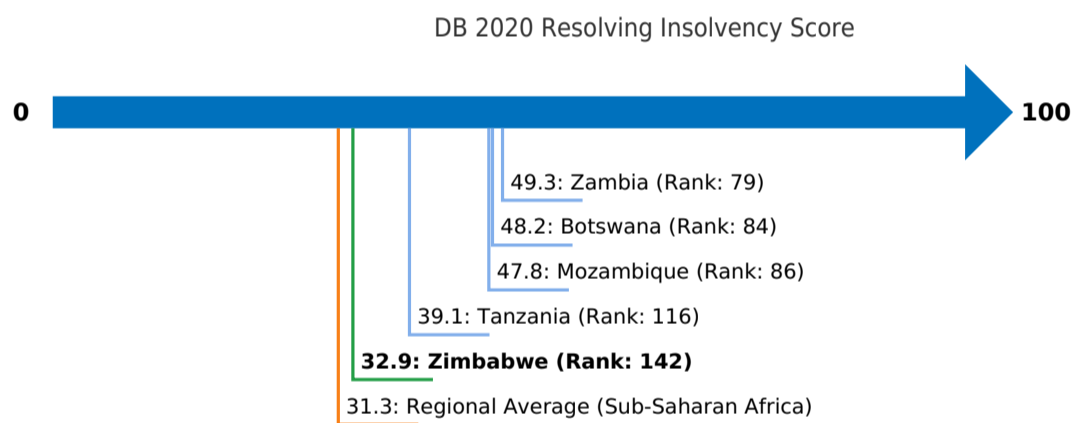


Recovery rate



Strength of insolvency framework index

Figure - Resolving Insolvency in Zimbabwe and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Zimbabwe - Time and Cost

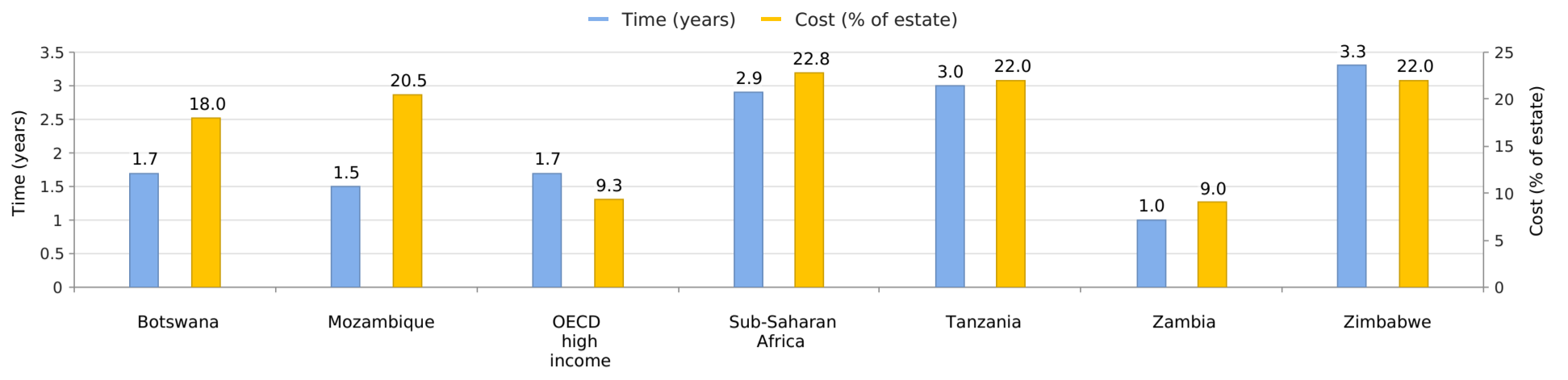
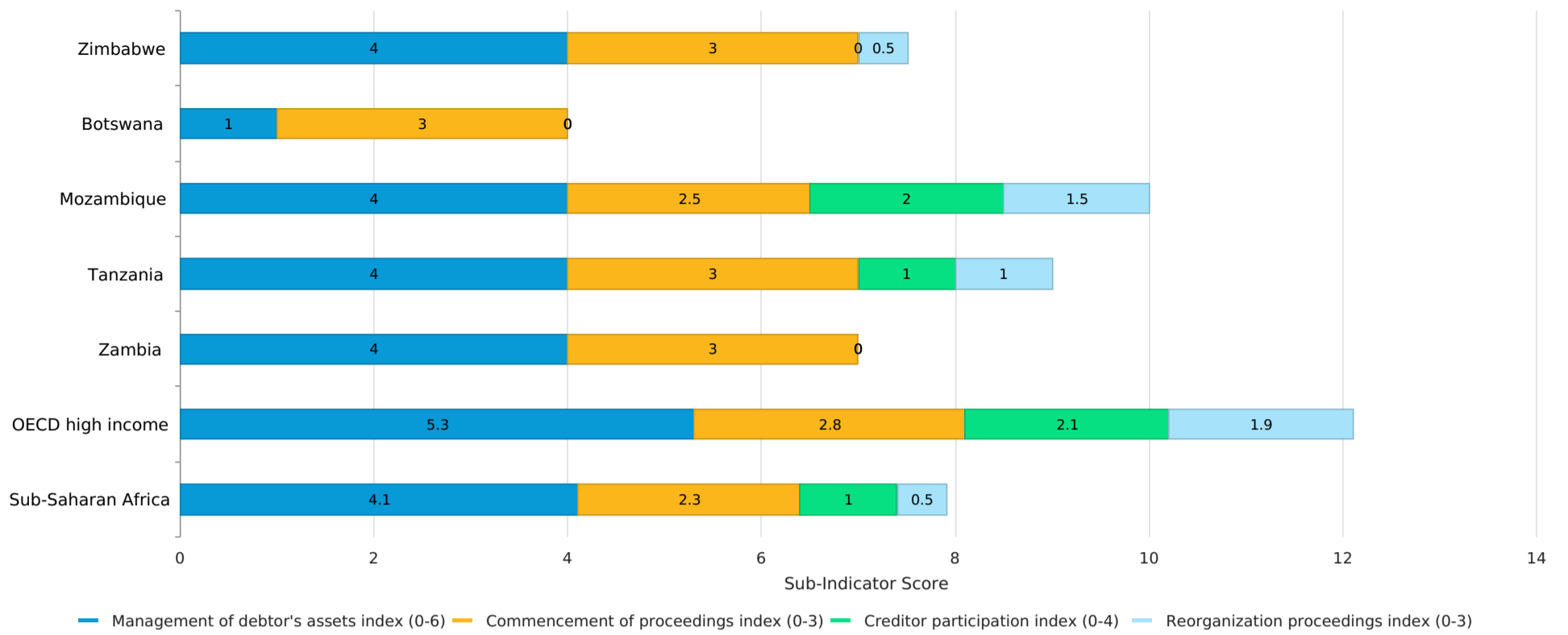


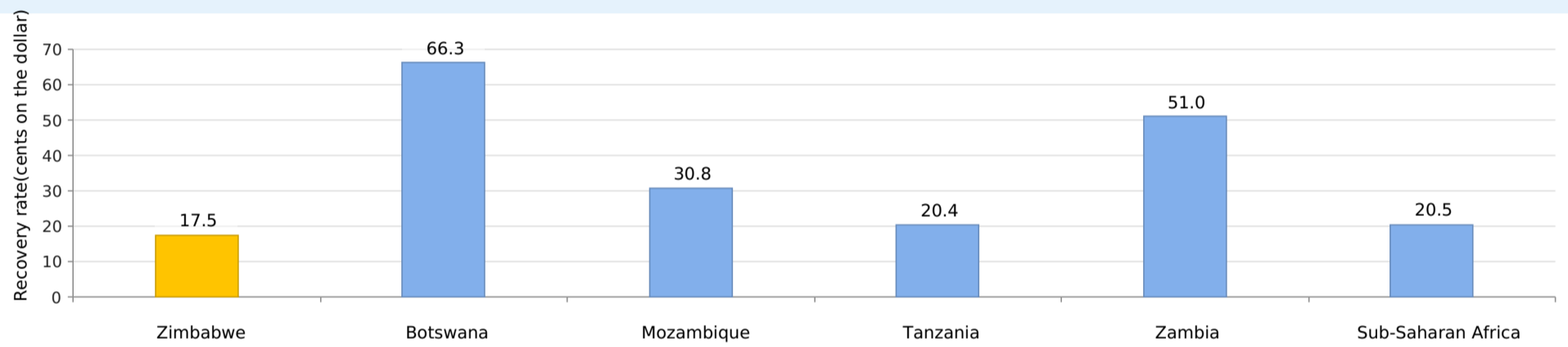


Figure - Resolving Insolvency in Zimbabwe and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Zimbabwe and comparator economies - Recovery Rate



## Details - Resolving Insolvency in Zimbabwe

Indicator	Answer	Score
Proceeding	liquidation	After Mirage's default on payment, BizBank would initiate liquidation proceeding by filing a petition with the High Court. The High Court will review the petition and, because the balance sheet of the company will show that it is now insolvent, will approve liquidation. Since Bizbank is a secured creditor, it will be the only beneficiary in insolvency.
Outcome	piecemeal sale	The hotel will stop operating as Mirage's assets will be sold piecemeal.
Time (in years)	3.3	The liquidation proceeding until BizBank is repaid some or all of the money owed to it takes approximately 3.3 years.
Cost (% of estate)	22.0	The costs associated with the case would amount to approximately 22% of the value of the debtor's estate. The cost incurred during the entire insolvency process mainly includes court or government agency fees (4%), attorney fees (8%), insolvency representative fees (3%), fees of accountants, assessors, inspectors and other professionals (4%), fees of auctioneers (2%), and other fees (1%).
Recovery rate (cents on the dollar)		17.5

## Details - Resolving Insolvency in Zimbabwe - Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>7.5</b>
<b>Commencement of proceedings index (0-3)</b>		<b>3.0</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(a) Yes, a creditor may file for both liquidation and reorganization	1.0
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(c) Both (a) and (b) options are available, but only one of them needs to be complied with	1.0
<b>Management of debtor's assets index (0-6)</b>		<b>4.0</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	No	0.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	No	0.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(b) Yes over ordinary unsecured creditors but not over secured creditors	1.0
<b>Reorganization proceedings index (0-3)</b>		<b>0.5</b>
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
<b>Creditor participation index (0-4)</b>		<b>0.0</b>
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	No	0.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	No	0.0

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

## Employing Workers

*Doing Business* presents detailed data for the employing workers indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The study does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the maximum probationary period; (iv) minimum wage; (v) ratio of minimum wage to the average value added per worker.

#### Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) length of paid annual leave.

#### Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether the law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

#### Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments, and (iii) penalties due when terminating a redundant worker. Data on the availability of unemployment protection for a worker with one year of employment is also collected.

### Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

#### The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

#### The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

## Employing Workers - Zimbabwe

## Details - Employing Workers in Zimbabwe

	Answer
<b>Hiring</b>	
Fixed-term contracts prohibited for permanent tasks?	No
Maximum length of a single fixed-term contract (months)	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US\$/month)	312.0
Ratio of minimum wage to value added per worker	1.2
Maximum length of probationary period (months)	3.0
<b>Working hours</b>	
Standard workday	8.5
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	0.0
Premium for overtime work (% of hourly pay)	50.0
Restrictions on night work?	No
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	22.0
Paid annual leave for a worker with 5 years of tenure (working days)	22.0
Paid annual leave for a worker with 10 years of tenure (working days)	22.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	22.0
<b>Redundancy rules</b>	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	Yes
Priority rules for redundancies?	No
Priority rules for reemployment?	No
<b>Redundancy cost</b>	
Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	13.0
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	13.0
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	13.0
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	13.0
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	4.3
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	10.8

Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	21.7
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	12.3
Unemployment protection after one year of employment?	No

## Business Reforms in Zimbabwe

From May 2, 2018 to May 1, 2019, 115 economies implemented 294 business regulatory reforms across the 10 areas measured by Doing Business. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ = *Doing Business* reform making it easier to do business. ✗ = Change making it more difficult to do business.

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### DB2020

- ✓ **Starting a Business:** Zimbabwe made starting a business easier by improving online name search and by reducing the Harare Municipality business licensing fee.
- ✓ **Dealing with Construction Permits:** Zimbabwe made dealing with construction permits faster by streamlining plan approvals.
- ✓ **Registering Property:** Zimbabwe made property registration easier by reducing the time to transfer property and increased transparency by publishing official statistics on land disputes for the previous calendar year.
- ✓ **Getting Credit:** Zimbabwe strengthened access to credit by giving secured creditors absolute priority during insolvency proceedings.
- ✓ **Resolving Insolvency:** Zimbabwe made resolving insolvency easier by introducing a new reorganization procedure, allowing creditors to vote on the reorganization plan, and granting debtors the possibility of obtaining post-commencement finance.

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### DB2019

- ✓ **Starting a Business:** Zimbabwe made starting a business easier by reducing the time needed to obtain a business license.
- ✓ **Dealing with Construction Permits:** Zimbabwe made dealing with construction permits faster issuing building permits through a one stop shop.
- ✓ **Getting Credit:** Zimbabwe improved access to credit information by increasing the coverage of the credit registry and providing consumer and commercial credit scores to banks and financial institutions.
- ✓ **Enforcing Contracts:** Zimbabwe made enforcing contracts easier by making judgments rendered at the appellate and supreme court level in commercial cases available to the general public online.

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### DB2018

- ✓ **Starting a Business:** Zimbabwe made starting a business easier by removing the obligation to advertise applications for a business license.
- ✗ **Getting Credit:** Zimbabwe improved access to credit information by launching a new credit registry. However, credit scoring was discontinued, reducing access to credit information.

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### DB2017

- ✓ **Dealing with Construction Permits:** Zimbabwe made dealing with construction permits faster by streamlining the building plan approval process.
- ✓ **Registering Property:** Zimbabwe made registering property easier by launching an official website containing information on the list of documents and fees for completing a property transaction, as well as, a specific time frame for delivering a legally binding document that proves property ownership.
- ✓ **Getting Credit:** Zimbabwe improved access to credit information by allowing the establishment of a credit registry.
- ✗ **Trading across Borders:** Zimbabwe made trading across borders more difficult by introducing a mandatory pre-shipment inspection for imported products.

**Employing Workers:** Zimbabwe reduced severance payments and introduced stricter rules governing fixed-term contracts.

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### DB2016

- ✓ **Getting Credit:** In Zimbabwe the credit bureau began to provide credit scores.
- ✓ **Protecting Minority Investors:** Zimbabwe strengthened minority investor protections by introducing provisions allowing legal practitioners to enter into contingency fee agreements with clients.

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### DB2011

- ✓ **Starting a Business:** Zimbabwe eased business start-up by reducing registration fees and speeding up the name search process and company and tax registration.
- ✓ **Paying Taxes:** Zimbabwe reduced the corporate income tax rate from 30% to 25%, lowered the capital gains tax from 20% to 5% and simplified the payment of corporate income tax by allowing quarterly payment through commercial banks.

**Employing Workers:** Zimbabwe reduced the severance payment obligation applicable in case of redundancy dismissals.

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### DB2010

- ✓ **Registering Property:** Zimbabwe made transferring property less costly by introducing a new policy on the capital gains tax that resulted in a reduction in the actual amount paid.

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DB2009

✗ **Dealing with Construction Permits:** In Zimbabwe instability and severe administrative backlogs led to an increase in cost for all procedures relating to construction permits and to delays in approvals.

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DB2008

✗ **Dealing with Construction Permits:** Zimbabwe made dealing with construction permits more difficult by imposing inspections by the chief building inspector or deputy chief inspector—and made it more expensive by increasing the fees because of inflation. Meanwhile, obtaining water connections from local authorities became more time consuming.

✗ **Registering Property:** Zimbabwe made registering property more expensive by increasing the conveyancers' fees.

✗ **Paying Taxes:** Zimbabwe made paying taxes more costly and difficult for companies by increasing the tax on check transactions and introducing a new, more burdensome form for the payment of corporate income taxes.



*Doing Business 2020* is the 17th in a series of annual studies investigating the regulations that enhance business activity and those that constrain it. It provides quantitative indicators covering 12 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

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ISBN 978-1-4648-1440-2



SKU 211440