

THE DMH BULLETIN

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REGULATORY UPDATE: NEW PRIVATE VOLUNTARY ORGANISATIONS REGULATIONS

To complement the recently amended Private Voluntary Organisations (PVO) legal framework, strengthen the governance and accountability of PVOs, and safeguard the sector against abuse for money laundering and terrorist financing purposes, the following statutory instruments have been introduced:

1. Statutory Instrument 97 of 2026 – Private Voluntary Organisations (Board and General) Regulations, 2026; and
2. Statutory Instrument 98 of 2026 – Private Voluntary Organisations (Risk-Based Supervision and Protection from Terrorist Financing Abuse) Regulations, 2026.

OVERVIEW OF SI 97 OF 2026 (PRIVATE VOLUNTARY ORGANISATIONS (BOARD AND GENERAL) REGULATIONS, 2026)

Key Features of the Regulations

- The Regulations prescribe the appointment process, qualifications, tenure, meetings and committees of the PVO Board.
- The Regulations require every organisation falling within the statutory definition of a PVO to register.
- Every PVO constitution must contain prescribed governance provisions.
- The Registrar is required to communicate provisional approval or rejection within ninety days after receiving a complete application.
- Reporting requirements and Ongoing Compliance.
- Registrar may institute investigations into the financial operations and administrative affairs of an organisation.

These regulations give practical effect to the Private Voluntary Organisations Act [Chapter 17:05] by establishing a comprehensive framework governing the administration, registration and oversight of Private Voluntary Organisations (PVOs) in Zimbabwe. The Regulations repeal the 1997 Board and General Regulations and the 2025 Registration Fees Regulations, consolidating the governance framework into a single instrument.

PRACTICAL IMPLICATIONS ON DIFFERENT STAKEHOLDERS

A. Law Firms -The Regulations are expected to increase demand for legal advisory services relating to registration, governance, regulatory compliance, investigations and dispute resolution within the private voluntary sector.

B. Existing PVO's should undertake a comprehensive review of their constitutional documents, governance structures, board composition, reporting systems and registration particulars to ensure that they comply with the new regulatory framework. Organisations should also establish internal procedures to ensure that any material changes relating to their name, objectives or beneficial ownership are promptly reported in accordance with the Regulations.

C. International non-governmental organisations operating in Zimbabwe will be required to comply with more detailed registration requirements, including the appointment of an authorised local agent for the service of official notices and process, while ensuring that their governance structures satisfy the standards prescribed by the Regulations.

D. Membership organisations including trusts, associations and companies limited by guarantee, should carefully assess whether they fall within the mandatory registration regime, particularly where they solicit funds from the public or receive a significant proportion of their funding from foreign sources. Organisations that fall within these categories may need to regularise their status and implement enhanced governance and compliance measures to meet their statutory obligations.

OVERVIEW OF SI 98 OF 2026 (PRIVATE VOLUNTARY ORGANISATIONS (RISK-BASED SUPERVISION AND PROTECTION FROM TERRORIST FINANCING ABUSE) REGULATIONS, 2026)

These Regulations introduce a risk-based supervisory framework for Private Voluntary Organisations (PVOs) with the objective of protecting the sector from terrorist financing abuse while ensuring that legitimate charitable activities are not unnecessarily disrupted. The Regulations implement a risk-based approach consistent with Financial Action Task Force (FATF) Recommendation 8 by requiring supervision and compliance measures that are proportionate to the level of risk presented by a PVO.

Key Features of the Regulations

- The Regulations introduce a risk-based supervisory framework categorising PVOs as High-Risk, Medium-Risk or Low-Risk.
- High-Risk PVOs are subject to enhanced reporting, independent audits and targeted regulatory oversight.
- PVOs receiving funding from high-risk jurisdictions or engaging in specified cross-border transactions are subject to enhanced monitoring and disclosure requirements.
- The Registrar and the Financial Intelligence Unit are granted expanded powers to investigate, inspect records.
- PVOs must implement appropriate governance, financial controls, due diligence procedures and record-keeping systems.
- The Regulations establish reporting obligations for suspicious transactions and recognise Self-Regulatory Bodies to promote AML/CFT best practices.
- A graduated sanctions regime is introduced, including warnings, administrative fines, suspension of registration and deregistration for serious or persistent non-compliance.

PRACTICAL IMPLICATIONS ON DIFFERENT STAKEHOLDERS

A. Law Firms - The Regulations are expected to increase demand for legal advisory services relating to AML/CFT compliance, risk assessments, governance frameworks, donor and beneficiary due diligence, regulatory investigations, foreign funding compliance, reporting obligations and appeals against risk classifications or enforcement decisions.

B. Existing PVO's should review their governance structures, financial controls and compliance policies to ensure they satisfy the new risk-based supervisory requirements. Organisations should implement appropriate donor and beneficiary due diligence procedures, strengthen record-keeping systems, establish internal reporting mechanisms for suspicious transactions and ensure that their internal controls are proportionate to their risk profile.

C. International non-governmental organisations receiving foreign funding or undertaking cross-border operations should carefully review their funding arrangements, donor verification processes and internal compliance systems. Particular attention should be given to enhanced due diligence requirements, foreign funding disclosures and reporting obligations applicable to organisations operating in or receiving funding from high-risk jurisdictions.

D. Membership organisations, trusts, associations and companies limited by guarantee that fall within the definition of a PVO should assess whether their funding sources or operational activities expose them to a higher regulatory risk category. Such organisations should ensure that they maintain adequate governance structures, financial controls, donor verification procedures and record management systems to minimise regulatory risk and facilitate ongoing compliance with the Regulations.

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CONCLUSION

The introduction of SI 97 and SI 98 represents a significant shift towards enhanced governance, transparency and risk-based supervision within Zimbabwe's private voluntary sector. Organisations should proactively review their registration status, governance structures and compliance frameworks to ensure alignment with the new regulatory requirements and minimise the risk of regulatory action.

Law firms and compliance professionals will likewise play an increasingly important role in assisting organisations to navigate the evolving regulatory landscape.

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