Chambers | Practice Guides

Corporate & Commercial 2026

Definitive global law guides offering comparative analysis from top-ranked lawyers

Contributing Editors
Brad Ross & Emily Hamovitch
Goodmans



Chambers

Practice Guides

Corporate & Commercial

Contributing Editors

Brad Ross and Emily Hamovitch

Goodmans LLP

2026

Chambers Practice Guides

For more than 20 years, Chambers Global Guides have ranked lawyers and law firms across the world. Chambers now offer clients a new series of Practice Guides, which contain practical guidance on doing legal business in key jurisdictions. We use our knowledge of the world's best lawyers to select leading law firms in each jurisdiction to write the 'Law & Practice' sections. In addition, the 'Trends & Developments' sections analyse trends and developments in local legal markets.

Disclaimer: The information in this guide is provided for general reference only, not as specific legal advice. Views expressed by the authors are not necessarily the views of the law firms in which they practise. For specific legal advice, a lawyer should be consulted.

Content Management Director Claire Oxborrow
Content Manager Jonathan Mendelowitz
Senior Content Reviewers Sally McGonigal, Ethne Withers, Deborah Sinclair, Stephen Dinkeldein, Vivienne Button and Sean Marshall
Content Reviewers Lawrence Garrett, Marianne Page, Heather Palomino, Alison Moore, Adrian Ciechacki and Michael Irvine
Content Coordination Manager Nancy Tsang
Senior Content Coordinators Carla Cagnina and Delicia Tasinda
Content Coordinator Joanna Chivers
Head of Production Jasper John
Production Coordinator Genevieve Sibayan

Published by
Chambers and Partners
165 Fleet Street
London
EC4A 2AE
Tel +44 20 7606 8844
Fax +44 20 7831 5662
Web www.chambers.com

Copyright © 2026
Chambers and Partners

CONTENTS

INTRODUCTION
Contributed by Brad Ross and Emily Hamovitch, Goodmans LLP p.5

ARMENIA
Law and Practice p.9
Contributed by MB Legal

ASIA PACIFIC-WIDE
Trends and Developments p.31
Contributed by Llinks Law Offices

BRAZIL
Law and Practice p.37
Contributed by BVA – Barreto Veiga Advogados

CANADA
Law and Practice p.60
Contributed by Michael, Evrensel & Pawar LLP
Trends and Developments p.83
Contributed by Michael, Evrensel & Pawar LLP

CANADA – BRITISH COLOMBIA
Trends and Developments p.89
Contributed by Sangra Moller

CAYMAN ISLANDS
Law and Practice p.94
Contributed by Walkers

CHINA
Law and Practice p.115
Contributed by Hylands Law Firm
Trends and Developments p.135
Contributed by Hylands Law Firm

COLOMBIA
Law and Practice p.141
Contributed by Parra Rodríguez Abogados

COSTA RICA
Law and Practice p.164
Contributed by Deloitte Legal

DOMINICAN REPUBLIC
Law and Practice p.184
Contributed by Alburquerque Abogados – Consultores

ECUADOR
Law and Practice p.206
Contributed by VIVANCO & VIVANCO
Trends and Developments p.229
Contributed by VIVANCO & VIVANCO

EGYPT
Law and Practice p.235
Contributed by ADSERO-Ragy Soliman & Partners
Trends and Developments p.257
Contributed by ADSERO – Ragy Soliman & Partners

EU
Trends and Developments p.263
Contributed by Machas & Partners

FINLAND
Law and Practice p.271
Contributed by DKCO

FRANCE
Law and Practice p.289
Contributed by Axipiter
Trends and Developments p.306
Contributed by Axipiter

GERMANY
Law and Practice p.313
Contributed by MTR Legal Rechtsanwälte

GHANA
Law and Practice p.332
Contributed by Egality Law

GREECE
Law and Practice p.355
Contributed by Hahalis & Kounoupis P.C.

HONG KONG SAR, CHINA
Law and Practice p.371
Contributed by Hill Dickinson LLP

JAPAN
Law and Practice p.394
Contributed by Chuo Sogo LPC
Trends and Developments p.416
Contributed by Atsumi & Sakai

CONTENTS

LATIN AMERICA-WIDE
Trends and Developments p.422
Contributed by DeForest Abogados

LUXEMBOURG
Law and Practice p.427
Contributed by Brucher Thieltgen & Partners
Trends and Developments p.449
Contributed by Brucher Thieltgen & Partners

MAURITIUS
Law and Practice p.456
Contributed by Eversheds Sutherland (Mauritius)

MEXICO
Law and Practice p.483
Contributed by Treviño Chávez
Trends and Developments p.500
Contributed by Treviño Chávez

MONTENEGRO
Law and Practice p.505
Contributed by Kinstellar

NEW ZEALAND
Law and Practice p.525
Contributed by Wynn Williams Lawyers

PHILIPPINES
Law and Practice p.547
Contributed by Cruz Marcelo & Tenefrancia
Trends and Developments p.569
Contributed by Cruz Marcelo & Tenefrancia

PORTUGAL
Law and Practice p.577
Contributed by Gil Figueira & Devillet Lima

SAUDI ARABIA
Law and Practice p.599
Contributed by Al Akeel and Partners
Trends and Developments p.623
Contributed by Khalid Nassar & Partners

SERBIA
Law and Practice p.631
Contributed by Kinstellar

SINGAPORE
Trends and Developments p.653
Contributed by DBS Bank Limited

SWITZERLAND
Trends and Developments p.660
Contributed by Binder Legal

USA
Law and Practice p.667
Contributed by Wuersch & Gering LLP
Trends and Developments p.688
Contributed by Wuersch & Gering LLP

USA – CALIFORNIA
Trends and Developments p.694
Contributed by Paracuellos Law Group PC

USA – FLORIDA
Trends and Developments p.700
Contributed by Shaw Lewenz

USA – GEORGIA
Trends and Developments p.707
Contributed by Thrift McLemore

USA – ILLINOIS
Trends and Developments p.713
Contributed by AnchorPoint Legal Partners PLLC

USA – NEW YORK
Trends and Developments p.718
Contributed by Wolofsky PLLC

USA – NORTH CAROLINA
Trends and Developments p.723
Contributed by Wagner Hicks PLLC

USA – OHIO
Trends and Developments p.730
Contributed by Rooney IP

ZIMBABWE
Law and Practice p.737
Contributed by Dube Manikai & Hwacha Legal Practitioners
Trends and Developments p.759
Contributed by Dube Manikai & Hwacha Legal Practitioners

INTRODUCTION

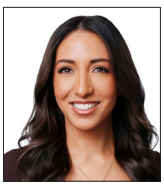
Contributed by: Brad Ross and Emily Hamovitch, **Goodmans LLP**

Goodmans LLP is internationally recognised as one of Canada's leading law firms for M&A, capital markets, securities and finance, private equity, real estate, tax, restructuring, litigation and dispute resolution, and other business-related specialties. Its clients are business leaders, innovators, entrepreneurs and investors who need counsel from a law firm that is as enterprising, forward-thinking and direct as they are. It works hard to develop the most appropriate solution for any situation and provides clear, concise and straightforward advice to solve some of the most complex and demanding legal issues.

Contributing Editors



Brad Ross is a partner in and a head of a business law group at Goodmans. His practice is transaction-based, with particular emphasis on corporate finance, mergers and acquisitions and private equity transactions. Brad often represents issuers, private companies and underwriters, with a focus on both public and private equity sponsored companies executing on aggressive growth strategies. Brad also assists companies with their corporate governance and continuous disclosure obligations.



Emily Hamovitch is a partner in a business law group at Goodmans. Her practice is transaction-based and focuses on M&A and securities law. She acts for both public and private companies, with a particular emphasis on public and private mergers and acquisitions, private equity transactions, public offerings, debt and equity financings, private placements and corporate reorganisations. Emily also advises on matters relating to continuous disclosure obligations, corporate governance, legislative compliance and general corporate and securities law.

Goodmans LLP

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto
Ontario
M5H 2S7
Canada

Tel: +1 416 979 2211
Email: info@goodmans.ca
Web: www.goodmans.ca

INTRODUCTION

Contributed by: Brad Ross and Emily Hamovitch, **Goodmans LLP**

Trends Shaping Legal Considerations for Boards and Businesses

Corporate and commercial legal practice is evolving alongside significant opportunities and challenges for businesses worldwide. Unpredictable global markets, geopolitical tensions, rapid technological innovation and shifting regulatory regimes are prompting businesses to reconsider their business strategy and risk management approach. The Corporate & Commercial 2026 Global Overview Practice Guide examines the key trends shaping legal considerations for boards, management teams and their advisers in this developing environment.

A shifting governance focus

Over the last decade, corporate governance has shifted from a focus on board structure, financial performance, shareholder rights and fiduciary duties to an emphasis on risk oversight, regulatory compliance and decision-making that considers stakeholder expectations, rapid technological development and sustainability. Directors are now expected to weigh these considerations, along with long-term impacts, where relevant to the corporation's best interests.

This includes understanding how environmental, social and governance (ESG) issues affect enterprise value and risk, with governance expectations extending to climate risk, sustainability strategy, human capital management, supply chain ethics and diversity. After several years of focus on these matters, geopolitical tensions and regulatory developments have resulted in a tempering of (and in some cases backtracking on) ESG-related governance efforts in many jurisdictions. It remains to be seen where the ESG pendulum shifts from here.

While cybersecurity, data breach prevention and crisis management planning have been on the radar of boards for some time, AI governance is emerging as the next major technology-focused area of board oversight. AI introduces new digital vulnerabilities that carry heightened enterprise risk. Although legislative regimes for AI adoption and use are still developing, regulatory and market practice are coming to expect companies to have AI governance frameworks in place. Boards are expected to be AI-literate and able to articulate how AI is governed within the organisation.

More broadly, directors are facing growing scrutiny over expanding disclosure and reporting obligations around cyber incidents, AI use and related risk factors and governance controls, causing increased pressure to justify major strategic decisions and demonstrate a robust decision-making process.

Rising shareholder activism

Shareholder engagement continues to be a central aspect of corporate governance worldwide. Shareholder activism has become increasingly transnational, with investors playing a more active role in influencing corporate strategy, governance and board accountability across jurisdictions. Activist shareholders are willing to challenge board decisions, vote against directors' re-election, campaign for changes to corporate strategy or governance, and advance or support litigation where they believe directors have failed in their duties. This trend is no longer confined to the largest public companies, as mid-market and even private companies are seeing a more engaged shareholder base.

Regulatory scrutiny and complexity

Shifting regulatory frameworks are prompting businesses to adapt quickly across multiple jurisdictions. After several decades of governments promoting globalisation, the past few years have seen a renewed focus on economic sovereignty, with regulatory regimes adapting accordingly. These tensions present challenges to businesses balancing international growth with compliance across shifting regulatory regimes. Regulators are taking a more active approach to corporate governance and individual accountability, with greater emphasis on transparency, risk disclosure and governance controls.

Antitrust authorities worldwide are intensifying enforcement, particularly in relation to digital markets, data-driven business models and concentrations of market power involving large technology and AI platforms.

Jurisdictions are taking markedly different approaches to AI, and active compliance regimes are only

Contributed by: Brad Ross and Emily Hamovitch, **Goodmans LLP**

slowly taking shape. In the meantime, multinational businesses are navigating a patchwork of dedicated legislation, consumer protection enhancements, and privacy rules related to AI.

Cross-border transfers of personal data are increasingly subject to legal restrictions, prompting businesses to map their data flows carefully and put contractual and technical safeguards in place. Regulators are showing greater willingness to enforce, and non-compliance can result in both financial penalties and reputational harm.

Anti-money laundering, sanctions, and anti-corruption enforcement have become increasingly prevalent, with regulators co-ordinating internationally. Businesses with international dealings are adopting compliance programmes that can be updated swiftly, as well as screening designed to identify exposure at an early stage.

Environmental obligations are following a similar trajectory, with climate-related litigation emerging as a source of legal risk.

Securities regulators are refining continuous disclosure requirements, insider trading rules, and shareholder disclosure thresholds as public markets globally seek to attract investment without compromising investor protection. Internal controls and whistle-blower protections remain a consistent area of regulatory focus.

The new deal environment

Recent developments have altered how businesses conduct transactions and manage transaction risk. Rising geopolitical tensions and economic security concerns have led countries to increase scrutiny of foreign investments. Certain jurisdictions have introduced unique outbound foreign investment regulatory regimes. Cross-border mergers, acquisitions, joint ventures and investments are now subject to significantly greater national security review and antitrust clearance, and governments that historically encouraged foreign investment have expanded foreign direct investment screening regimes to protect critical infrastructure, sensitive technologies, data assets, semiconductors, telecommunications, AI and energy resources.

Tariffs and shifting trade policy are adding a further layer of uncertainty to cross-border transactions and supply chain arrangements. Businesses are increasingly factoring tariff exposure, export restrictions and the potential for retaliatory trade measures into deal pricing, supply agreements and long-term sourcing strategies, while also monitoring currency volatility and its effect on cross-border deal value and financing costs.

Transactional diligence has expanded beyond traditional financial and legal reviews to also cover geopolitical exposure, sanctions risk, cybersecurity, AI governance, data privacy, supply chain resilience, ESG issues, human rights compliance, workplace culture and regulatory readiness. Transaction agreements now include more robust representations, warranties, covenants, indemnities, closing conditions, termination rights and purchase price adjustment mechanisms.

Similar risk allocation measures are finding their way into everyday commercial agreements. Licensing, data rights and ownership of outputs generated using AI tools are now routine points of negotiation in supply, services and collaboration agreements, and these agreements now allocate responsibility for AI-related liability, including which party bears the risk of inaccurate, infringing or otherwise defective AI-generated outputs, and what indemnification obligations apply as a result.

Data governance terms, such as data residency, permitted use and security requirements, are appearing in routine supply, distribution and services agreements that would once have addressed data only in passing. Commercial agreements of all types are increasingly specifying minimum security standards, breach notification timelines, and co-operation obligations in the event of a cybersecurity incident.

Supply chain governance is following a similar path, with ESG-related supplier codes of conduct, representations and warranties, and audit and inspection rights now appearing in routine supply and distribution agreements.

Contributed by: Brad Ross and Emily Hamovitch, **Goodmans LLP**

Sanctions compliance and export control provisions are also appearing as standard terms even in commercial agreements that do not otherwise involve cross-border or regulated activity. Representations regarding sanctioned party status, export control compliance, and termination rights tied to a counterparty's sanctions exposure are commonly included.

A tightening financial landscape

Access to financing has become a pressing challenge for businesses in this environment, as rising interest rates have increased the cost of capital and tightened credit conditions, prompting traditional bank lenders to apply more conservative underwriting standards and, in some cases, retreat from certain sectors altogether. This has accelerated the rise of private credit and other non-bank lenders as a significant source of financing for acquisitions, growth capital and refinancing, offering borrowers greater flexibility and speed of execution, often at a higher cost of capital and with further restrictive contractual terms.

At the same time, both traditional and private lenders are requiring robust covenants in credit agreements, including tighter financial maintenance covenants, enhanced information and inspection rights, and greater contractual control over borrower operations and future indebtedness, to protect their position in a higher-rate, higher-risk lending environment. Consequently, borrowers face more heavily negotiated debt commitment letters and credit agreements, increased financing conditionality in acquisition agreements, and closer scrutiny of covenant compliance, default and remedy provisions as part of deal structuring.

Preparing for what lies ahead

For businesses, these developments call for governance frameworks, compliance programmes and transaction structures capable of adapting to a shifting regulatory, geopolitical and technological landscape. Resilience in risk oversight, financing strategies and deal structuring tends to leave boards and management teams better placed to manage disruption and pursue opportunities for growth. Well-documented decision-making processes capable of withstanding scrutiny from regulators, shareholders and other stakeholders also play a role.

Against this backdrop, corporate and commercial legal advisers are called on for more than technical legal expertise. They are providing legal analysis with commercial and geopolitical judgement, helping clients structure transactions, manage risk and pursue growth in a complex and interconnected global environment. This favours legal advisers who remain current across multiple, often overlapping regulatory regimes, co-ordinate closely with colleagues in other jurisdictions and practice areas, and integrate fast-moving legal and geopolitical developments into actionable advice.

ZIMBABWE



Law and Practice

Contributed by:
Rumbidzai Matambo, Milanda Manjengwah, Chido Marian Hove, Obert Kondongwe, Tendero Makanga and Romeo Chatereza
Dube Manikai & Hwacha Legal Practitioners

Contents

1. Business Entities P.740
1.1 Business Organisations p.740
1.2 Incorporation and Ongoing Compliance p.740
1.3 Share Issuances p.740
1.4 Distributions and Return of Capital p.740
1.5 Control Person Reporting p.741

2. Corporate Governance P.742
2.1 Legal Framework p.742
2.2 Directors' Duties and Liabilities p.742
2.3 Board Composition and Independence p.742
2.4 ESG and Disclosure Obligations p.743
2.5 Conflicts of Interest and Related-Party Transactions p.744

3. Shareholder Rights and Agreements P.744
3.1 Shareholder Rights p.744
3.2 Shareholder Agreements p.745

4. Mergers and Acquisitions P.745
4.1 Legal Framework p.745

5. Capital Markets P.746
5.1 Securities Regulation and Public Offerings p.746
5.2 Continuous Disclosure p.747
5.3 Insider Trading p.747
5.4 Shareholder Disclosure p.747
5.5 Internal Controls and Whistle-Blower Regimes p.747

6. Secured Transactions P.748
6.1 Transaction Financing and Security Interests p.748

7. Commercial Contracts P.748
7.1 Contract Formation and Enforceability p.748
7.2 Termination and Remedies p.749
7.3 Intellectual Property in Commercial Transactions p.750
7.4 Consumer Protection p.750

8. Foreign Investment P.751
8.1 Competition and Merger Control p.751
8.2 Foreign Investment Restrictions and Sector-Specific Rules p.752

9. Regulatory Compliance P.753
9.1 Privacy and Data Protection p.753
9.2 Anti-Money Laundering, Sanctions and Corruption p.754
9.3 Environmental, Health and Safety, and Industry-Specific Regulation p.754
9.4 Artificial Intelligence p.755
9.5 Other Regulatory Compliance Requirements p.755

10. Employment and Labour P.756
10.1 Employment Standards and Workplace Regulation p.756
10.2 Executive Compensation and Restrictive Covenants p.756

11. Real Property and Commercial Leasing P.757
11.1 Requirements for Land Ownership p.757
11.2 Commercial Real Estate Transactions p.758

Contributed by: Rumbidzai Matambo, Milanda Manjengwah, Chido Marian Hove, Obert Kondongwe, Tendero Makanga and Romeo Chatereza, **Dube Manikai & Hwacha Legal Practitioners**

Dube Manikai & Hwacha Legal Practitioners (DMH) is a leading Zimbabwean commercial law firm established in 1998, with a team comprising nine partners, five associates, eight candidate attorneys and 29 support staff. Based in Harare, Zimbabwe, DMH is a full-service firm providing end-to-end legal services to corporates, financial institutions, investors and public sector entities. The firm has particular expertise in commercial and financial services, trade and investment, corporate and transactional matters, tax, ICT, data protection, intellectual property, employment, litigation, conveyancing and securitisation, enabling an integrated approach to complex mandates. Recent work includes advising FBC Holdings Limited, Innscor Group, the Reserve Bank of Zimbabwe and Afreximbank on commercial, financial, regulatory and transactional matters. DMH's multidisciplinary structure enables it to draw on specialist expertise across practice areas to deliver practical, commercially focused legal solutions to its clients.

Authors



Rumbidzai Matambo is the managing partner and head of the conveyancing and securitisation group at DMH, with over 22 years' experience. She specialises in conveyancing, property law, securitisation, secured lending and notarial practice, advising financial institutions, multilateral lenders, insurers and corporates on complex transactions. Her experience includes structuring and perfecting security packages, real estate financing, land acquisitions, registrations and commercial restructurings. She advises the African Export-Import Bank (Afreximbank) and other major financial institutions on Zimbabwean law matters. As the immediate past president of the Law Society of Zimbabwe, Rumbidzai brings significant regulatory expertise.



Milanda Manjengwah is a partner in DMH's commercial and financial services group, with over 21 years' experience. She advises local, regional and international clients on complex corporate and commercial transactions, specialising in mergers and acquisitions, banking and finance, capital markets, corporate restructurings, joint ventures and regulatory compliance. Milanda has advised on significant transactions involving FBC Holdings, Padenga Holdings, Old Mutual, Star Africa and Lobels Holdings. Her experience includes structured finance, cross-border lending, capital raising, infrastructure and energy projects. She brings expertise in transaction structuring, due diligence, regulatory approvals, negotiations and complex transaction documentation.



Chido Marian Hove is a partner in DMH's commercial and financial services group, with over 16 years' post-admission experience. She advises local, regional and international clients, specialising in energy and infrastructure projects, project finance, mergers and acquisitions, mining, banking and finance, competition law and intellectual property. Chido has advised on significant transactions including the Batoka Gorge Hydroelectric Scheme, Hwange Thermal Power Station rehabilitation and major road infrastructure projects. Her experience includes advising investors, lenders, developers, multilateral institutions and public sector entities on project structuring, regulatory compliance, financing, joint ventures, risk allocation and complex commercial documentation.



Obert Kondongwe is a partner in DMH's employment law and litigation group, with over 11 years' experience. He advises public and private sector clients on employment law, dispute resolution, corporate advisory and regulatory compliance. His practice includes retrenchments, organisational restructuring, employment contracts, workplace policies, disciplinary processes and labour litigation. Obert has advised organisations including the National Social Security Authority (NSSA) and DHL on large-scale restructuring exercises, and assisted clients including Nestlé Zimbabwe and SIRDC with employment codes of conduct. He represents clients before the Labour

Court, Magistrates' Court, High Court, Supreme Court and administrative tribunals.



Tendero Makanga is a partner in DMH's commercial and financial services and tax group, with ten years' experience. She specialises in tax advisory, tax litigation and commercial litigation. Tendero advises corporate and commercial clients on tax planning, the interpretation and application of tax legislation, and tax implications arising from commercial transactions. She represents clients in tax and commercial disputes, including in objections against assessments issued by the Zimbabwe Revenue Authority, mediation and litigation. Her experience includes advising Innscor Africa Group companies, Padenga Holdings, Fastjet Zimbabwe, Tsebo Zimbabwe and FBC Bank on tax matters.



Romeo Chatereza is a partner in DMH's civil and commercial litigation group, with eight years' experience. He advises local and international clients on commercial disputes, regulatory matters, litigation, arbitration and competition law. Romeo has successfully represented clients before the High Court, Supreme Court and Constitutional Court of Zimbabwe in complex disputes involving contractual claims, corporate matters and high-value litigation. His competition law practice includes merger control, restrictive business practices and regulatory compliance. He has also advised on commercial transactions, legal due diligence and risk management, and has acted for insurance companies in multi-million-dollar litigation disputes.

Dube, Manikai and Hwacha Legal Practitioners

4 Fleetwood Road
Alexandra Park
Harare
Zimbabwe

Tel: +263 04 250909/12
Fax: +263 780350
Email: admin@dmh.co.zw
Web: www.dubemanikaihwacha.com

DMH
FULL SERVICE LAW FIRM

Contributed by: Rumbidzai Matambo, Milanda Manjengwah, Chido Marian Hove, Obert Kondongwe, Tendero Makanga and Romeo Chatereza, **Dube Manikai & Hwacha Legal Practitioners**

1. Business Entities

1.1 Business Organisations

Principal business entities include private and public companies, private business corporations, a syndicate, a partnership or any other association of persons, whether corporate or unincorporated.

Public limited companies, private limited companies, companies limited by guarantee, co-operative companies, foreign companies and private business corporations must be registered. Partnerships, syndicates, joint ventures and certain associations of persons register voluntarily.

The choice of structure is influenced by, amongst other factors, the purpose for which the business organisation has been established, restrictions in relation to size of membership, transfer of shares and invitation of the public to subscribe for shares or debentures in the company, limitation of liability and separate legal identity and taxation.

1.2 Incorporation and Ongoing Compliance

Registration of a company is governed by the Companies and Other Business Entities Act (Chapter 24:31) (COBE) and is done in two stages, namely:

- name search (application for approval of the name by which the company will be registered); and
- registration stage (submission of the incorporation details after which the Registrar issues the certificate of incorporation and the summary document).

Both the name search and the registration details are submitted online.

The requirements for registration of a private company are as follows:

- a list of the proposed names by which the company will be registered (provide at least three names (in order of preference) so as to enhance the chances of getting one approved;
- the main business of the company; and
- details for the shareholder/s, ultimate beneficial owners, directors and secretary.

The registration process takes, on average, two weeks upon submission of the full suite of documents and payment of a prescribed fee.

Ongoing compliance includes filing annual returns on every anniversary of incorporation; maintaining registers of shareholders, directors and secretaries; filing beneficial ownership declarations where applicable; and holding an AGM every 12 months and submitting a declaration of holding of AGM on form CR17, usually submitted with the annual return.

1.3 Share Issuances

Authorisation for shares must be provided for in the company's memorandum of association, which must set out classes of shares, and the number of shares of each class that the company is authorised to issue, together with the distinguishing designation, the preferences, rights, limitations and other terms associated with each class.

The board of directors may issue shares of the company at any time, but only within the classes and to the extent that the shares have been authorised by or in terms of the company's memorandum of association and must determine the consideration and terms of issuing the shares.

Shares issued by a company are movable property, and since 2019, a share does not have a nominal or par value, although shares existing before then retain their nominal or par value when issued.

Increasing the authorised share capital or reducing it will require prior shareholders' approval, and in the case of a reduction, confirmation by the court.

A company can issue shares with such rights or restrictions as may be determined by it. Key considerations include prior authorisation and the characterisation of the shares to be issued in terms of voting rights, capacity to redeem the shares or convert them into ordinary shares.

1.4 Distributions and Return of Capital

Distributions are governed by applicable law and the constitutive document of a business entity. A company can make a distribution either (i) pursuant to an

existing legal obligation of the company or a court order (ii) if the board of the company, by resolution, has authorised the distribution; or (iii) if it reasonably appears that the company will satisfy the solvency and liquidity test immediately after completing the proposed distribution.

Repurchase and Redemption

The law permits the purchasing of a company's own shares, including redeemable shares, subject to the applicable requirements. The repurchase can be made only out of profits of the company which would otherwise be available for dividends or out of the proceeds of a fresh issue of shares made for the repurchase. The repurchase must be permitted by the company's articles of association and authorised in advance by the company in a general meeting and notified to the registrar of companies in the prescribed form.

Upon repurchase, the shares will have the same status as treasury shares, that is, shares that have been authorised but not issued.

Cancellation of Repurchased Shares

The shares repurchased by the company should be treated as cancelled, and the amount of the company's share capital shall be diminished by the nominal value of those shares. However, this does not reduce the company's authorised share capital. The amount by which the company's issued share capital is diminished on cancellation of the shares concerned should be transferred to a reserve, to be called "the capital redemption reserve" (this sum is treated as capital and cannot be distributed).

For companies listed on a stock exchange, additional requirements include approval of the repurchase by the Zimbabwe Stock Exchange, and that the repurchase should not exceed 40% of the issued share capital of the class of shares being repurchased by the company concerned in any one financial year.

Redeemable Shares: if authorised by its articles of association, a company can issue redeemable shares. Redemption of such shares can only be out of profits of the company available for dividend or out of the proceeds of a fresh issue of shares made for the redemption.

Cancellation for Deemed Shares

Shares redeemed as set out above will be treated as cancelled on redemption, and the amount of the company's share capital will be diminished by the nominal value of those shares.

Solvency Tests

The solvency and liquidity test should be satisfied ahead of (i) a company offering a cash payment instead of awarding a capitalisation share, (ii) financial assistance, and (iii) making a distribution.

A solvency test is satisfied if, considering all reasonably foreseeable financial circumstances of the company at that time:

- the assets of the company (group company), fairly valued, equal or exceed the liabilities of the company (group company) as fairly valued; and
- it appears that the company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date on which the test is applied/12 months following the distribution.

Financial Assistance Rules

Financial assistance is generally prohibited except if such assistance is given in accordance with a special resolution of the company and immediately after such assistance is given, on a fair valuation the company's assets, excluding any asset resulting from the giving of the assistance, those assets exceed its liabilities and the company can pay its debts as they become due in the ordinary course of its business.

1.5 Control Person Reporting

Every company is required to maintain an accurate and up-to-date register of the beneficial owner or owners. Where a nominee shareholder for a beneficial owner holds more than 20% shares of that company, the nominee shareholder must, within 30 days of becoming the nominee shareholder, disclose the particulars of such beneficial ownership to the company secretary, who then transmits such particulars to the Registrar of Companies in form CR16 ("Declaration of beneficial ownership") together with the prescribed fee. Any changes to the information set out in form

CR16 must be notified to the Registrar within seven days of such change.

2. Corporate Governance

2.1 Legal Framework

The corporate governance framework in Zimbabwe is primarily shaped by:

- the Constitution of Zimbabwe Amendment (No 20) Act. 2013, which establishes the foundational principles of accountability, transparency, good administration and public sector governance;
- the Companies and Other Business Entities Act [Chapter 24:31] (the "COBE Act"), which is the primary source of corporate governance obligations for all companies in the private and public sector;
- the Public Entities Corporate Governance Act [Chapter 10:31], which is the main governance statute for SOEs, parastatals and other public entities;
- the Zimbabwe Stock Exchange (ZSE) and Victoria Falls Stock Exchange (VFEX) Listings Requirements, which impose additional governance obligations on companies listed on the ZSE and VFEX; and
- the Zimbabwe National Code on Corporate Governance (ZIMCODE), which provides a framework for corporate governance for both public and private sector entities.

2.2 Directors' Duties and Liabilities

The principal fiduciary duties of directors recognised in Zimbabwe include the duty to act in good faith and in the best interests of the company; exercise powers for a proper purpose; avoid conflicts of interest; exercise care, skill and diligence; not to fetter discretion; and act within the powers conferred by the company's constitution.

Courts have largely applied these duties with reference to the common law and leading South African and English authorities, including *Howard v Herrigel*, *Robinson v Randfontein Estates Gold Mining Co Ltd*, *Fisheries Development Corporation of SA Ltd v Jorgensen* and *Howard Smith Ltd v Ampol Petroleum Ltd*.

Standard of Care of Directors

The standard of care for directors is primarily governed by Section 54 of the COBE Act as read with the common law principles.

In this regard, directors are required to:

- act in good faith and the best interests of the company;
- exercise their powers for a proper purpose;
- exercise the degree of care, skill, diligence and attention that may reasonably be expected of a person carrying out the same functions; and
- avoid conflicts of interest and disclose any personal interests in company transactions.

When Can Directors be Held Personally Liable?

Under Section 197, a company may recover loss, damages or costs from a director for, among other things, breach of fiduciary duties, acting without authority, reckless or fraudulent conduct, fraudulent acts affecting creditors, employees or shareholders, materially false financial statements, unauthorised shares, unlawful financial assistance, improper distributions and other statutory breaches. The business judgement rule protects a director where the director had no personal interest, was sufficiently informed and honestly believed the decision was in the company's best interests.

Section 54 of the COBE has codified the business judgement rule, which protects a director from liability for unsound business decisions where they acted in good faith.

2.3 Board Composition and Independence

Board Composition, Residence, Independence Standards and Diversity

In Zimbabwe, board composition requirements are governed by the COBE Act as supplemented by corporate governance best practices, namely the ZIMCODE. The COBE Act prescribes certain minimum requirements, whilst ZIMCODE provides guidance on independence, diversity and board effectiveness.

Section 195 of the COBE Act prescribes minimum board sizes for private and public companies as follows:

- private companies with more than one but fewer than ten shareholders must have at least two directors;
- private companies with ten or more shareholders must have at least three directors; and
- public companies must have between seven and 15 directors.

A company secretary and at least one director must be ordinarily resident in Zimbabwe.

Board Independence Standards

The COBE Act has limited provisions relating to board independence for private companies, however Sections 219 and 220 prescribe certain governance standards for public companies including written corporate governance standards and audit committee of independent directors.

Private v Public Listed Companies

With respect to private companies, the COBE Act provides for minimum governance requirements (board composition, fiduciary duties and disclosure requirements), however there are generally no mandatory requirements for independent directors, audit committees, or prescribed diversity quotas. The COBE Act imposes additional governance obligations on public companies, including the requirement to establish written corporate governance guidelines and audit committee composed of independent directors.

2.4 ESG and Disclosure Obligations

ESG and Sustainability Obligations for Corporations in Zimbabwe

With effect from 1 January 2024, all companies listed on the ZSE and the VFEX are required to prepare and submit sustainability reports covering environmental, social and governance (ESG) matters, pursuant to Sections 399–404 of the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) 2019 (Statutory Instrument 134 of 2019) as read with ZSE Practice Note 16 and VFEX Practice Note 2.

The environmental component of ESG is governed mainly under the Environmental Management Act [Chapter 20:27], which established the Environmental Management Agency (EMA). EMA is the agency responsible for:

- environmental protection and pollution prevention;
- sustainable use of natural resources;
- environmental impact assessments (EIAs); and
- monitoring compliance with environmental regulations.

Companies undertaking projects that may significantly affect the environment (such as mining and manufacturing) are required to obtain environmental approvals and conduct EIAs before commencing operations. Failure to comply can result in penalties, suspension of activities, or remediation obligations.

Practice Note 16 specifies the minimum disclosure metrics for listed companies covering ESG matters. These include energy and water consumption, waste and greenhouse gas emissions; employee and occupational health and safety information; training and gender diversity; community contributions; board composition and committees; governance qualifications and experience; ownership and operations; and compliance statements.

Under Zimbabwean law, directors' duties are primarily company-focused, requiring directors to act in good faith and in the best interests of the company. There is currently no explicit statutory duty requiring directors to consider environmental, social or stakeholder interests independently of the company's interests. However, environmental, social and stakeholder considerations are becoming increasingly relevant due to mandatory sustainability reporting for listed companies.

Best Practices for Board Oversight of ESG Risks and Opportunities

Zimbabwe has adopted the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), however implementation of IFRS S1 (General Sustainability Disclosures) and IFRS S2 (Climate-related Disclosures) is not yet mandatory across the board. As such, ESG and climate-related disclosures are currently only mandated for listed companies in accordance with Practice Note 16.

2.5 Conflicts of Interest and Related-Party Transactions

In Zimbabwe, conflicts of interest and related-party transactions are governed primarily by the COBE Act, as supplemented by the ZSE Listing Requirements (for listed companies), and other corporate governance standards such as the ZIMCODE.

The COBE Act codifies directors' and officers' fiduciary duties and imposes a duty of loyalty to the company. Directors, officers and controlling members must act in the best interests of the company, refrain from abusing their position, avoid using company property or confidential information for personal benefit, and disclose situations where their personal interests may conflict with those of the company.

Sections 56, 57 and 58 of the COBE Act address personal financial interests and disclosure.

Where a director has a personal financial interest in a board matter, the director must disclose the nature and extent of the interest, must not participate in deliberations or voting except as permitted, and must not execute related documents unless requested or directed by the board.

Related-Party Transactions

For companies listed on the ZSE, related-party transactions may trigger additional approval requirements under the ZSE Listing Requirements including press announcements, providing ZSE with a copy of the agreement, shareholder approval and independent expert's confirmation that the terms of the proposed transaction with the related party are fair and reasonable.

Companies that prepare IFRS-compliant financial statements must also disclose material related-party relationships and transactions, including:

- transactions with directors and key management personnel;
- balances outstanding with related parties;
- loans, guarantees and similar arrangements; and
- compensation of key management personnel.

3. Shareholder Rights and Agreements

3.1 Shareholder Rights

Each issued share of a company, regardless of its class, has associated with it one general voting right, except to the extent the right to vote is limited by any applicable law or the company's memorandum of association.

Shareholders' right to information includes:

- right to inspect the company's constitutive documents;
- notice of meetings;
- inspection of the minutes of proceedings of any general meeting of a company;
- financial statements; and
- on payment of a fee, copies of and inspection of the register and index of members, except where the register of members is closed under the applicable law.

Shareholders' approval is required in some instances, including:

- alteration of the memorandum and articles of association;
- disposal of the undertaking of the company or of the whole or the greater part of the assets of the company;
- purchase of own shares;
- financial assistance by the company for purchase of its own or its holding company's shares;
- reduction of share capital;
- adoption of a plan and contract for merger;
- approval of a major transaction;
- dissolution of the company; or
- reserved matters.

Statutory remedies available to shareholders include:

- Investigation of the affairs of a company – on the request of a shareholder or shareholders holding at least 5% of the ordinary shares of the company, the Registrar of Companies may assign one or more inspectors to investigate the affairs of the registered business entity and to report thereon as the Registrar may direct.

- Tag-along rights – a minority shareholder may demand, by notice in writing, that an offeror acquiring the majority share, should acquire all of that person's target shares.
- Court remedy for oppressive and unfairly prejudicial conduct – a shareholder may apply to the court for an order that the company's affairs are being or have been conducted in a manner which is oppressive or unfairly prejudicial to the interests of some part of the members.

3.2 Shareholder Agreements

Shareholders' agreements form part of a company's internal rules. They are tailor-made to address issues not necessarily dealt with in the constitutive documents of the company. They usually provide for pre-emptive rights, thereby restricting the sale, disposal or transfer of shares to third parties. They may also provide for matters which are reserved for the shareholders.

Shareholders' agreements cannot contradict statutory provisions and will be treated as void to the extent they do so. Further, they should align with the constitutive documents of the company, which take precedence in the event of a conflict or inconsistency.

Shareholder disputes are usually resolved through negotiation and mediation or arbitration pursuant to the arbitration agreement. Shareholders can also approach the courts to resolve their disputes.

- Direct action by members – a shareholder can sue for damages against any manager, officer or director of a company, to enforce or recover damages caused to them by violation of a duty incumbent upon any such manager, officer or director under the COBE Act or any other law including laws against fraud or misappropriation.
- Derivative actions by members on an entity's behalf – shareholder/s, holding interests or shares representing at least 10% of the company's ordinary shares, can bring an action in court on the company's behalf against any manager, officer or director of the company, to enforce, or to recover from that manager, officer or director damages caused to the company by violation of duties owed by that manager, officer or director to the company.
- Unfair prejudice – a shareholder can apply to the court for remedy on the ground that the company's affairs are being or have been conducted in a manner which is oppressive or unfairly prejudicial to the interests of some part of the members.
- Winding-up petitions – a shareholder can apply to the court for an order to wind up the company on the grounds specified in the COBE Act.

4. Mergers and Acquisitions

4.1 Legal Framework

The laws governing public and private mergers, acquisitions and tender offers in Zimbabwe are spread across company law, competition law, exchange control, securities regulation and in some instances additional sector-specific legislation if the transaction is in a regulated sector such as banking and finance, telecoms or health.

Companies and Other Business Act [Chapter 24:31]

Sections 226-233 govern the statutory merger framework. The Act provides for consolidations, amalgamations, major asset transaction and the relevant corporate approvals necessary to consummate the various transactions.

Competition Act [Chapter 14:28]

The Competition Act and various regulations made under it govern mergers and acquisitions in so far as their approval is concerned. The Competition and Tariff Commission (CTC) is mandated with the assessment and approval of mergers within Zimbabwe. Further details may be found in **8.1 Competition and Merger Control**.

Listing Requirements

A merger involving a listed entity either on the ZSE or the VFSE also has to comply with the relevant listing requirements. The Listing Rules impose disclosure and announcement requirements on takeovers, mergers and business combinations.

Exchange Control

If the merger involves a foreign entity as an acquirer, then such a transaction also requires the Reserve

Bank of Zimbabwe's exchange control approval in terms of the Exchange Control Act [Chapter 22:05].

Key Structuring Considerations

There are no prescribed structuring mechanisms and this is largely left to the parties to decide the most efficient form of structuring for their M&A transaction, taking into account their intended goals and commercial rationale. Various forms of structuring mergers and acquisitions are prevalent in the Zimbabwean market. The most common are share purchases, asset sales, schemes of arrangement, takeovers, share swaps and joint ventures.

Recent Legislative or Regulatory Changes

The principal statutory framework remains the Competition Act [Chapter 14:28], read with the Competition (Notification of Mergers) Regulations, 2020 (S.I. 126 of 2020), as amended by the Competition (Notification of Mergers) (Amendment) Regulations, 2022 (S.I. 55 of 2022).

The 2022 amendments moved the merger notification threshold and fees into a more stable US-dollar framework. The threshold is currently USD1.2 million, measured by reference to the combined annual turnover in or from Zimbabwe or the relevant combined Zimbabwean assets. The notification fee is subject to a USD10,000 minimum and USD40,000 maximum, payable in Zimbabwe dollars at the prevailing prescribed rate. Another recent corporate-law development relevant to M&A due diligence is the Companies and Other Business Entities (Re-Registration) Regulations, 2025 (S.I. 108 of 2025). The regulations implement the re-registration requirements for companies and private business corporations registered before implementation of the electronic company registry.

Courts Shaping the Development of M&A Law

The current leading judgment in M&A is the Constitutional Court judgment in *Ashram Investments* (*Pvt*) *Ltd* & *Ors v Competition and Tariff Commission*, CCZ 20/25. The judgment is significant for Zimbabwean merger-control law, particularly regarding procedural fairness, natural justice and the limits of appellate intervention.

5. Capital Markets

5.1 Securities Regulation and Public Offerings

The Securities and Exchange Commission of Zimbabwe, established under the Securities and Exchange Commission Act, Chapter 24:25, is the primary regulator of Zimbabwe's capital markets. The Victoria Falls International Financial Services Centre, established under the Banking (International Financial Services Centre) Regulations, 2025, Statutory Instrument 29 of 2025, regulates capital markets activity in the Centre.

Participants are governed in terms of the Securities and Exchange Act, Zimbabwe Stock Exchange Listings Requirements Rules, 2019 (SI 134 of 2019) if participating on the Zimbabwe Stock Exchange, and the Banking (Victoria Falls International Financial Services Centre) (Securities, Capital Markets and Collective Investment Funds) Regulations, 2026, Statutory Instrument 63 of 2026 for capital market activities in the International Financial Services Centre.

A duly constituted applicant must have the prescribed subscribed capital equity shares in issue, a satisfactory profit history for the preceding five financial years, if applicable, and at least 30% of each class of equity shares held by public shareholders, unless otherwise agreed with the relevant stock exchange. It will be necessary to prepare and publish a pre-listing statement in terms of the relevant rules of the stock exchange on which the listing will be done.

Stock exchange listing requirements are statutory in nature and have the force of law.

Generally, a stock exchange may, in extraordinary circumstances, exercise its discretion to grant a listing to an applicant which does not comply with the requirements set out in the listings rules, on the ground that the listing is in the interests of the investing public.

Pre-listing statements are not required for issues of securities by an applicant whose securities are already listed and fall into the specified categories, including but not limited to: securities resulting from the conversion of convertible securities, exercise of rights under options, securities issued in place of securities already listed and securities allotted to employees.

5.2 Continuous Disclosure

Continuing obligations are imposed by the rules of the relevant stock exchange and must be observed once securities have been admitted to listing. These require, amongst other things, announcement of the existence of price-sensitive information, dividends or interest payments on listed securities, publication of half-year interim reports in the press or in electronic form, publication of audited annual financial statements, notification relating to capital, ensuring that all holders of its securities receive fair and equal treatment, ensuring that securities in each class for which listing is applied rank pari-passu in respect of all rights, ensuring that a minimum percentage of each class of securities is held by the public as prescribed and ensuring that all the necessary facilities and information are available to enable holders of securities to exercise their rights.

A listed company is required to make full, equal and timeous public disclosure to all holders of securities and the general public regarding corporate actions and material information of the company.

Public disclosure of information that may reasonably be expected to have a material effect on market activity in and prices of its securities must be made within 24 hours of the event.

5.3 Insider Trading

Section 88 of the Securities and Exchange Act [Chapter 24:25] prohibits the misuse of inside information, including dealing in affected securities while in possession of such information, inducing or discouraging another person to trade, and disclosing inside information to another person. The Act further prohibits false trading and market manipulation under Section 96 and fraudulently inducing persons to trade or deal in securities under Section 97.

These provisions are supplemented by criminal and civil remedies, including provisions for class actions under Sections 90–99.

5.4 Shareholder Disclosure

Section 72 of the COBE Act places a duty on companies to maintain an accurate and up-to-date register of beneficial owners. Section 73 of the COBE Act prohibits any company from concealing beneficial ownership by allotting or issuing to, registering any of its shares in the name of, or issue a certificate of members to any person other than the intended beneficial owner.

Failure to comply with the provisions of Section 72 and 73 of the COBE Act attracts a fine or imprisonment or both a fine and imprisonment.

5.5 Internal Controls and Whistle-Blower Regimes

The law mandates the establishment of a board of directors responsible for decisions on all matters except those reserved to the shareholders by the COBE Act or by the company's constitutive documents.

The COBE Act further mandates all public companies to establish or adopt written corporate governance guidelines consistent with the then-current National Code on Corporate Governance (the "National Code").

One of the principles of the National Code is that the board should ensure that principal risks are timeously identified and managed and may appoint a risk management committee to assist it in the discharge of its duties and responsibilities in respect of risk management. At each annual shareholders' meeting, the board must report to the meeting on the company's compliance with its guidelines and their conformity to the principles outlined in the National Code on Corporate Governance.

The proposed legislation governing whistle-blowing is at Bill stage and has not yet become law. If passed into law, it will provide a framework within which public interest disclosure of conduct adverse to public interest in the public and private sectors shall be dealt with. Currently, the National Code makes the establishment of a whistle-blowing function discretionary, depending on the demands of the company's business.

6. Secured Transactions

6.1 Transaction Financing and Security Interests

The principal legislation governing secured transactions in Zimbabwe is the Movable Property Security Interests Act [Chapter 14:35] (the "MPSI Act"), which established the Collateral Registry within the Reserve Bank of Zimbabwe. The MPSI Act facilitates the use of movable property as collateral for credit and applies broadly to tangible and intangible movable assets.

The Act adopts a broad definition and recognises security interests created through chattel mortgages, notarial bonds, hypothecs, charges, cessions and assignments, pledges, trust receipts, financial leases and other transactions securing an obligation.

Security over immovable property remains governed separately under the Deeds Registries Act [Chapter 20:05] and the applicable deeds registration framework.

It is not mandatory for the effectiveness or enforceability or validity of any Security Document, or for the perfection of security interests created pursuant to any Security Document, that such Security Document be filed, recorded, registered with any authority in Zimbabwe. The security holder's rights remain valid, notwithstanding the non-registration.

It is, however, necessary to register the security interests created by the Security Document (including security created over shares) with the Collateral Registry established in terms of the Act, in order to secure their priority among competing security interests and notice to the world at large.

In addition, registration of security constitutes proof of security and guarantees recovery upon default, creates a real right over the secured property enforceable against all other third parties.

A registered notice of a security interest is deemed to be a liquid document enforceable by way of provisional sentence proceedings. There is no need for it to go through ordinary lengthy litigation proceedings.

Registration of security rights in movable safeguards lenders in that as soon as the notice is registered, it becomes a preferential creditor in connection with that specific security interest. Furthermore, in the event that the security interest is already registered in favour of another creditor, the potential lender would easily be able to ascertain this as the Collateral Registry permits searches by members of the public.

7. Commercial Contracts

7.1 Contract Formation and Enforceability

The key principles for formation of a commercial contract in Zimbabwe include consensus, intention to create legal obligations, capacity to contract, lawfulness, certainty and compliance with any prescribed formalities. Zimbabwean law generally does not require every commercial contract to be in writing. However, specific types of contracts are subject to statutory or common-law formalities.

The Grounds for Invalidity

A commercial contract may be held to be invalid if the following grounds exist:

- for lack of consensus;
- if the contract was induced by misrepresentation, mistake, duress or undue influence;
- illegality; and
- for failure to comply with prescribed formalities.

Limitation of Liability

Zimbabwean law generally permits commercial parties to agree upon limitation-of-liability, indemnity, exclusion, warranty and risk-allocation clauses; subject to: their proper interpretation; statutory restrictions; public policy; illegality; the particular nature of the liability being excluded; and consumer-protection legislation where applicable.

Good Faith Obligations

Zimbabwean contract law recognises good faith, reasonableness and public policy, but good faith does not operate as a general licence for a court to disregard an otherwise valid contractual bargain. In commercial contracts, the stronger proposition remains freedom of contract and pacta sunt servanda. Thus, the

fact that performance subsequently appears harsh, expensive or disadvantageous does not automatically justify judicial intervention.

Unconscionability

For ordinary commercial contracts, unconscionability is not equivalent to a general statutory power allowing courts to rewrite bargains between sophisticated commercial parties.

In interpreting contracts, Zimbabwean courts rely heavily on the principle of freedom and sanctity of a contract.

Enforceability

The enforceability of contracts is also rooted in the principle of pacta sunt servanda – agreements freely and validly concluded must generally be honoured and enforced.

7.2 Termination and Remedies

The principal remedies for breach of contract available to an innocent party are specific performance, cancellation or rescission, damages, and, where appropriate, an interdict or declaratory relief.

When May a Party Terminate

Zimbabwean law distinguishes between termination in accordance with the contract, cancellation for breach, and termination arising from repudiation or supervening impossibility.

Cancellation for Breach

At common law, not every breach automatically gives the innocent party a right to cancel. Generally, cancellation is available where the contract expressly confers a cancellation right, or where the breach is material to justify cancellation under the common law.

Repudiation

A party may also repudiate a contract by conduct or words demonstrating an unequivocal intention not to be bound by the contract or not to perform its material obligations.

Consequences of Wrongful Termination/ Cancellation

A party that purports to cancel a contract without a valid contractual or common-law basis may be regarded as having repudiated the contract. The innocent party may then have the usual remedies, including:

- rejecting the purported cancellation and insisting upon performance;
- claiming specific performance;
- accepting the repudiation and cancelling the contract; and
- claiming damages resulting from the wrongful repudiation.

Zimbabwe does not have a comprehensive general statutory force majeure regime applicable to all commercial contracts.

Force majeure is principally dealt with through:

- the express force majeure clause in the contract; and
- the common law doctrine of supervening impossibility of performance (vis major/casus fortuitus).

A force majeure clause will ordinarily specify the events constituting force majeure and the consequences thereof.

Frustration of Purpose

Zimbabwean law does not appear to treat “frustration of purpose” as a broad, freestanding doctrine equivalent to some common law jurisdictions. Instead, cases tend to analyse these situations through the doctrine of supervening impossibility. Thu, the mere fact that the commercial purpose of a contract has become less profitable, unattractive or difficult to achieve will ordinarily not discharge the parties from their obligations.

Hardship

There is no general statutory doctrine of contractual hardship in Zimbabwe which automatically permits a court to renegotiate or adjust a commercial contract merely because performance has become substantially more expensive or onerous.

7.3 Intellectual Property in Commercial Transactions

In Zimbabwe, intellectual property (IP) rights are commercial assets that can be sold, transferred, licensed or pledged as part of broader commercial transactions, including mergers and acquisitions, franchising, technology transfers, joint ventures, and distribution arrangements. The key considerations include ownership rights, assignment, licensing, registration requirements, enforcement rights and confidentiality protection. Zimbabwe's IP system is administered through the Zimbabwe Intellectual Property Office (ZIPO).

Courts in Zimbabwe approach the issue of ownership of IP created within the context of a commercial relationship depending on the relevant statute governing the category of IP involved, the terms of the parties' agreement, and whether the work was created in the course of employment, commission or collaboration.

Employee-Created IP

As a general rule, copyright vests in the author of the work or co-authors in the event of joint authorship (Section 14 of the Copyright Act).

Ownership of patents is governed under the Patents Act [Chapter 26:03] (the "Patents Act"). A patent is an exclusive right granted for an invention, granting the owner thereof the legal right to exclude others from making, using or selling an invention for a specified period in exchange for publishing and enabling disclosure of the invention. Section 43 of the Patents Act specifically governs disputes between an employer and employee with respect to an invention made by the employee, either alone or jointly with other employees.

Student-Created Works and Innovation Projects

The Court in *Kanyenga v Harare Institute of Technology & Others* HH 115-21 confirmed that Zimbabwean courts distinguish between authorship and ownership and will determine ownership by reference to ownership principles under the Copyright Act rather than broad assertions of contribution or supervision. The court emphasised that copyright law only protects original works fixed in a tangible medium. It does not extend protection to raw data, facts, ideas, discoveries or technical methods and no case of infringement arises when an institution reproduces or adapts basic methodologies developed within its academic framework.

Commissioned Works and AI-Generated Content

Under Section 14 (4) of the Copyright Act, a commissioner who pays or agrees to pay for specified commissioned works, including photographs, portraits, audiovisual works and sound recordings, becomes the owner of copyright, provided the work was created pursuant to the commission. The Copyright Act predates generative AI and does not expressly address AI-generated works, machine authorship or ownership of AI outputs. There is currently no Zimbabwean case law directly addressing AI-generated content or inventions; disputes are therefore likely to be considered by reference to the statutory requirement that an author is an "individual" and ordinary ownership principles.

7.4 Consumer Protection

The principal legislation governing consumer protection in Zimbabwe is the Consumer Protection Act which establishes a framework of mandatory consumer rights that businesses must respect and cannot contract out of.

Key rights include the right to fair and honest dealing, which prohibits misleading representations, deceptive advertising and unfair business practices. Consumers are entitled to full and accurate disclosure of material information before entering into a contract, including price, quality, terms of service and any associated risks.

The Act further provides for the right to cancel certain agreements, particularly those involving direct marketing or distance selling, within a prescribed "cooling off" period. Consumers also have the right to seek redress and compensation through the Consumer Protection Commission or the courts in cases of unfair treatment or defective products.

The Consumer Protection (General) Regulations, 2023 provide for conciliation and arbitration of consumer disputes.

The Consumer Protection Commission, being the primary statutory regulator of consumer protection rights in Zimbabwe, may issue compliance notices, monitor the market, receive and investigate complaints, conduct conciliation and arbitration, refer matters to relevant authorities and approach courts where permitted or required. Consumers may seek internal resolution, lodge complaints, use recognised dispute resolution mechanisms or approach the courts for cancellation or variation of unfair contracts and damages.

Courts may grant relief including cancellation or variation of a consumer contract, enforcement of part of a contract, restitution or compensation, reduction of amounts payable and regulation of contractual powers. In assessing unfairness, the court considers the interests of both parties and relevant prices, charges, costs and expenses. The framework also addresses misleading advertising and electronic transactions, including security of payment systems and unsolicited commercial communications.

In electronic transactions, the court has powers to award damages to a consumer resulting from a supplier's failure to utilise a payment system that is sufficiently secure with reference to accepted technological standards at the time of the transaction and the type of transaction concerned. The court can also impose criminal sanctions against suppliers for sending unsolicited goods, services or communications in circumstances where there is no option to cancel subscription to the mailing list of that person and communication has been made that the unsolicited electronic commercial communication is unwelcome.

8. Foreign Investment

8.1 Competition and Merger Control

For Zimbabwe, merger control and competition law are principally governed by the Competition Act and administered by the CTC as described in **4.1 Legal Framework**. The principal merger control regulations are the Competition (Notification of Mergers) Regulations, 2020 (SI 126 of 2020), as amended by the Competition (Notification of Mergers) (Amendment) Regulations, 2022 (No 1). The COBE Act also contains procedural requirements for statutory mergers.

A merger is defined as the direct or indirect acquisition or establishment of a controlling interest in the whole or part of the business of a competitor, supplier, customer or other person through:

- acquisition of shares;
- acquisition of assets;
- lease;
- amalgamation or combination; or
- other means of obtaining control.

Accordingly, the analysis is concerned with control, rather than simply the percentage of shares acquired.

A merger is generally notifiable where either:

- the combined annual turnover in or from Zimbabwe of the merging parties is USD1.2 million or more; or
- the combined assets in Zimbabwe of the merging parties are USD1.2 million or more.

Section 34A requires a party to a notifiable merger to notify the CTC within 30 days of either:

- conclusion of the merger agreement; or
- acquisition by one of the parties of a controlling interest in another.

The substantive test is whether the merger is contrary to the public interest because it:

- has lessened substantially, or is likely to lessen substantially, the degree of competition in Zimbabwe or a substantial part of Zimbabwe; or
- has resulted, or is likely to result, in a monopoly situation contrary to the public interest.

The Act also requires consideration of broader public-interest factors, including consumer interests, prices, quality and variety, efficiency, technological development and facilitating entry by a new competitor.

Following investigation, the CTC can, depending on the circumstances:

- approve the merger;
- approve it subject to conditions;
- prohibit the merger; or

- impose orders designed to prevent or remedy the anti-competitive effects.

Failure to notify a notifiable merger, or implementing the merger without the required approval, attracts a penalty of up to 10% of the annual turnover in Zimbabwe of either or both of the merging parties.

Anti-Competitive Conduct

The Competition Act regulates restrictive practices, monopoly situations and unfair business practices.

Examples include conduct which:

- restricts production or distribution;
- maintains or increases prices;
- restricts market entry;
- prevents or delays technological development;
- restricts expansion of markets; or
- involves tied or conditional selling.

The consequences of anti-competitive conduct can include both regulatory/civil remedies and criminal sanctions, depending on the nature of the conduct. In addition, the CTC may prohibit or require termination of restrictive conduct, regulate prices where appropriate and impose other remedial measures.

8.2 Foreign Investment Restrictions and Sector-Specific Rules

Summary of Investment Laws in Zimbabwe

In general, an investment is either considered as greenfield (an investment into a new project which requires the incorporation of a new company by the foreign investor in Zimbabwe for purposes of carrying out specified objectives), or brownfield (an investment into an existing project (listed or unlisted)).

Brownfield Investment

This will require prior exchange control approval. Section 12 of the Exchange Control Regulations, 1996 (S.I 109/96) provides that subject to Section 17, unless otherwise authorised by an exchange control authority, no person shall issue to a foreign resident or nominee of a foreign resident any security which is registered in Zimbabwe. Section 17 provides that, subject to such terms and conditions as may be prescribed (discussed further below), a listed security may be issued or transferred to a foreign resident or his nominee.

Greenfield Investment

This will require compliance with the following in terms of the laws of Zimbabwe:

- incorporation of a limited liability company in accordance with the COBE Act; and
- an Investment License from the Zimbabwe Investment and Development Agency (ZIDA).

The ZIDA application process requires, among other things, corporate documents, shareholder and director information, a business plan, proof of funding and any sector-specific licences or permits. ZIDA also facilitates the co-ordination of approvals through its One Stop Investment Services Centre.

Foreign Ownership Restrictions

Zimbabwe generally permits foreign investment and does not have any sector-wide foreign ownership restrictions. However, certain regulated sectors are subject to ownership, licensing, citizenship or control requirements, and certain activities are reserved primarily for Zimbabwean participation. The most significant restrictions currently arise in:

- broadcasting and media;
- telecommunications; and
- certain business sectors reserved for local participation under the Indigenization and Economic Empowerment Act [Chapter 14:33] (the "Indigenization Act").

No National Security Review

Zimbabwe does not currently have a national security foreign investment review process, and there is no general requirement that foreign acquisitions be reviewed solely on national security grounds.

Foreign Investment Incentives

Zimbabwe offers a range of incentives to foreign investors, particularly through the ZIDA, the Special Economic Zone (SEZ) regime and National Project Status. The most common incentives for foreign investors are the following.

- SEZ – incentives include reduced income tax rates, exemptions on withholding tax on dividends, royalties, certain service fees paid to non-residents and customs duty concessions on capital equipment and certain imported inputs.
- National Project Status (NPS) – incentives include tax incentives, customs duty exemptions and exemptions from certain customs and excise charges.
- ZIDA Investment Protection Incentives – under the ZIDA Act, foreign investors enjoy the following incentives:
  (a) no restriction on the amount of foreign currency brought into the country;
  (b) equity investment in cash or capital equipment;
  (c) 100% repatriation of disinvestment proceeds;
  (d) 100% remittance of dividends;
  (e) operation of Foreign Currency Accounts (FCAs);
  (f) foreign investors are allowed to borrow locally and offshore; and
  (g) guarantee against expropriation of the investor's property or projects.

Recent Developments Affecting Foreign Investment in Zimbabwe

A recent development affecting foreign investment in Zimbabwe is the expansion of sectors reserved for Zimbabwean participation under Statutory Instrument 215 of 2025, which expanded the list of sectors reserved primarily for Zimbabwean participation. Foreign investors operating in affected sectors may be required to reduce foreign ownership to a maximum of 25%, subject to exemptions and special permits in some cases.

In 2026, telecommunications ownership requirements were temporarily tightened through Statutory Instrument 101 of 2026, which introduced a 75% local ownership requirement, but these provisions were subsequently repealed by Statutory Instrument 111 of 2026.

9. Regulatory Compliance

9.1 Privacy and Data Protection

Zimbabwe's principal privacy and data protection legislation is the Data Protection Act [Chapter 12:07] and the regulations made thereunder which establishes a comprehensive framework governing the collection, processing, storage, disclosure and transfer of personal information, while also addressing cybersecurity matters. The Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) is the designated Data Protection Authority (DPA) for Zimbabwe and is responsible for regulatory oversight, guidance, registration, licensing, investigations and enforcement.

Zimbabwe does not currently have any sector-specific privacy requirements, however, certain specified sectors will attract heightened regulatory scrutiny due to the large volumes of sensitive personal data processed by these sectors – eg, banking and financial services.

Key Obligations Regarding Personal Information

The Data Protection Act stipulates that personal information must be processed lawfully and for a legitimate purpose. Data controllers must have the necessary authority to process personal information and must ensure transparency regarding the processing activity.

Collection Disclosure Obligations

Controllers must provide appropriate information to data subjects concerning the identity of the controller, the purpose of processing, intended uses, recipients and applicable rights. Enhanced protections apply to sensitive personal information, including health, biometric and genetic information.

Controllers and processors must implement appropriate technical and organisational security measures to protect personal information against loss, unauthorised access, misuse, destruction, alteration and disclosure.

Controllers must notify the DPA of a qualifying security breach within 24 hours and, where appropriate, notify affected individuals within 72 hours.

Personal information may only be disclosed to third parties where the disclosure is lawful and consistent with the original purpose of collection or otherwise permitted under the Act. Particular care is required when dealing with sensitive, health and biometric information and international transfers.

Cross-Border Data Transfers

Under Sections 28 and 29 of the Data Protection Act, personal information generally may not be transferred outside Zimbabwe unless an adequate level of protection is ensured in the destination country or by the recipient. When assessing adequacy, relevant considerations include:

- the nature of the data;
- the purpose of processing;
- the duration of processing;
- the recipient;
- applicable foreign privacy laws; and
- security safeguards protecting the transferred information.

Current POTRAZ guidance provides that controllers intending to transfer personal information outside Zimbabwe must first notify the DPA. The guidance further requires controllers to:

- conduct a Data Protection Impact Assessment (DPIA) before the transfer; and
- submit relevant information to POTRAZ when notifying the transfer.

Data Localisation Considerations

Zimbabwe does not currently impose mandatory data-localisation obligation requiring all personal data to remain physically stored in Zimbabwe. However, the cross-border transfer rules create practical constraints on offshore hosting and cloud services.

For businesses operating in Zimbabwe using regional or global cloud infrastructure, key compliance considerations include:

- assessing whether the foreign recipient provides adequate protection;
- notifying POTRAZ where required;
- conducting a DPIA;
- obtaining appropriate consent where necessary;
- maintaining security safeguards; and
- documenting transfer arrangements.

9.2 Anti-Money Laundering, Sanctions and Corruption

The principal legislation is the Money Laundering and Proceeds of Crime Act [Chapter 9:24], supplemented by the Suppression of Foreign and International Terrorism Act [Chapter 11:21]. These obligations principally apply to financial institutions and designated non-financial businesses and professions, including banks, amongst others, insurers, securities businesses, money-transfer businesses, legal practitioners, accountants, estate agents, casinos and dealers in precious metals and stones. Obligations include customer and beneficial ownership identification, enhanced due diligence for higher-risk relationships, transaction monitoring, record-keeping, suspicious transaction reporting, employee training and compliance officer appointment.

Zimbabwe's sanctions framework principally implements United Nations Security Council sanctions. Businesses should implement risk-based anti-bribery programmes covering third-party due diligence, procurement, conflicts of interest, whistle-blowing, training and accurate record keeping. Enforcement may involve the FIU, RBZ, ZACC, ZIMRA, police and NPA, with penalties including fines, licence sanctions, asset freezing and criminal prosecution.

9.3 Environmental, Health and Safety, and Industry-Specific Regulation

Key Environmental Regulatory Requirements Affecting Commercial and Corporate Transactions

Zimbabwe's environmental framework is anchored in the Environmental Management Act [Chapter 20:27] (the "EM Act"), administered by the Environmental Management Agency, and reinforced by Section 73 of the Constitution, which guarantees a right to a healthy environment and obliges the state to promote sustainable development.

EIAs are mandatory for prescribed projects (mining, energy, infrastructure, manufacturing, waste management) under Section 97 of the EM Act. No such project may proceed without an EIA, an environmental impact assessment certificate and compliance with its conditions. Licensing authorities generally require environmental approval before issuing operating licences. Therefore, for commercial and corporate transactions

involving regulated activities, due diligence should confirm the certificate's validity, compliance history, and whether the transaction triggers a fresh regulatory review.

Climate-Related Litigation and Corporate Environmental Liability

Zimbabwe has not yet seen substantial climate-specific litigation; environmental cases to date have concerned pollution, mining, EIAs, wetlands and regulatory enforcement. Section 73 of the Constitution, however, provides a real foundation for future claims.

There is currently no explicit statutory duty requiring directors to consider environmental, social or stakeholder interests independently of the company's interests.

Health and Safety Obligations for Employers

Key statutes include the Labour Act [Chapter 28:01], the Factories and Works Act [Chapter 14:08], the Pneumoconiosis Act [Chapter 15:08] and the National Social Security Authority Act [Chapter 17:04]. Section 6 of the Labour Act bars employers from requiring work below legally or conventionally safe conditions. The Factories and Works Act adds detailed rules on registration, machinery safety and accident prevention for regulated premises. Employers must provide a safe environment (protective equipment, training, hazard controls) and report workplace injuries or deaths to NSSA and the Ministry of Labour.

The NSSA Accident Prevention and Workers' Compensation Scheme compensates workers (or dependants) for occupational injury, disease or death, covering medical costs, income replacement and survivor benefits.

Licensing, Permitting and Industry-Specific Regulation

There is no single general business licence in Zimbabwe. The licensing requirements depend on sector, activity and location. Baseline requirements typically include company registration (Companies and Other Business Entities Act), tax registration (ZIMRA), NSSA registration and local-authority, planning and environmental approvals.

9.4 Artificial Intelligence

As of 2026, Zimbabwe does not yet have legislation specifically governing AI use. Instead, AI governance is currently derived from existing digital, data protection and cybersecurity laws. The Government of Zimbabwe has adopted a National Artificial Intelligence (AI) Strategy (2026–2030) that sets out proposed governance, ethics and regulatory structures for AI. The AI Strategy was approved by Cabinet in October 2025 and officially launched on 13 March 2026. At this stage, the Strategy establishes a roadmap for AI development and governance rather than creating immediately binding legal obligations.

9.5 Other Regulatory Compliance Requirements

Exchange Control

Zimbabwe operates as a multicurrency jurisdiction, with exchange control regulations governing the inflow, outflow and use of foreign currency in the country. The regulatory framework for currency control is outlined in the Exchange Control Act [Chapter 22:05] (the "Exchange Control Act"), its regulations and circulars from the RBZ.

Section 13 of the Exchange Control Regulations generally prohibit the transfer of shares registered in Zimbabwe to a foreign resident entity or individual unless prior exchange control approval has been sought and granted. Section 17, however, permits foreign residents to acquire shares in a local company, up to a prescribed threshold, without first seeking prior exchange control approval. However, Exchange control approval will be required for the repatriation of funds/dividends outside Zimbabwe.

Inward investment will also require exchange control approval so that on disinvestment, the investor will be able to repatriate funds.

Tax

Businesses operating in Zimbabwe must comply with the tax framework and be registered with the Zimbabwe Revenue Authority for tax purposes. The primary relevant regulatory provisions include the Value Added Tax Act [Chapter 23:12], the Income Tax Act [Chapter 23:06] and the Capital Gains Tax Act [Chapter 23:01].

10. Employment and Labour

10.1 Employment Standards and Workplace Regulation

Principal Employment and Labour Laws

The Labour Act [Chapter 28:01] is the core statute, covering employee rights, employment conditions, unfair labour practices, trade unions and collective bargaining, and dispute resolution. The Labour Amendment Act, 2023 (effective from 14 July 2023) strengthened protections against discrimination, forced labour and workplace violence and harassment, and reformed termination, retrenchment, employment codes, dispute resolution, maternity leave and hourly contracts.

Collective relations

Section 101 of the Labour Act allows registration of employment codes governing misconduct, procedure and sanctions; where none applies, the statutory model code governs. The Act provides for workers' committees, works councils, unions and employment councils.

Social security and safety

NSSA administers social security contributions and occupational injury/disease compensation; the Factories and Works Act adds further OHS obligations.

Termination of Employment: Notice, Wrongful and Constructive Dismissal

Termination is governed by Sections 12, 12B and 12C of the Labour Act, applicable codes/CBAs, and the Labour (Retrenchment) Regulations, 2024 (S.I. 191 of 2024).

Termination on notice

The common law position through the Labour Amendment Act, 2015 was reversed. Termination on notice is now lawful only where: it follows an applicable employment code; both parties agree in writing; the contract was for a fixed term or specific task; or it follows a lawful Section 12C retrenchment.

Misconduct dismissals

Section 12B requires compliance with the applicable code to determine these dismissals, including fair notice of allegations, a hearing and a reasoned, proportionate sanction.

Wrongful and unfair dismissal

Claims commonly arise from: no lawful basis to terminate; non-compliance with Section 12 (4a) or an applicable code; a discriminatory or prohibited reason; breach of contract; improper termination of a fixed-term contract; or non-compliant retrenchment. Section 13 requires payment of all outstanding wages and benefits on termination.

Fixed-term contracts

These normally end on their expiry date, but Section 12B(3)(b) deems dismissal unfair if the employee had a legitimate expectation of re-engagement and someone else was engaged instead.

Retrenchment

Section 12C and S.I. 191 of 2024 require prescribed consultation and notification with the relevant works council, employment council or Retrenchment Board, plus compensation.

Constructive dismissal

Constructive dismissal is recognised under Section 12B(3)(a). Deemed unfair dismissal occurs where the employee resigns (with or without notice) because the employer deliberately made continued employment intolerable. Courts assess whether the employee actually resigned; the employer's conduct caused that resignation; the conduct made continued employment objectively intolerable; and the employee had no reasonable alternative. Mere dissatisfaction with conditions or management decisions will not meet this threshold.

10.2 Executive Compensation and Restrictive Covenants

Key Considerations in Executive Compensation Structuring

Contract form

Executive directors should have a written employment contract separate from their directorship appointment, since removal as a director (governed by company law/Articles) is procedurally different from termination of employment (governed by the Labour Act and contract).

Equity incentive plans

No specific statutory ESOP regime exists; share option/purchase schemes are structured through the company's articles of association, a shareholder-approved scheme rules document, and individual grant agreements. For listed companies, ZSE listing requirements and corporate governance codes (the ZIMCODE) call for disclosure and remuneration committee oversight of executive pay.

Change of control

Golden parachute/accelerated vesting clauses are contractually created. Drafting should address whether termination following a change of control is treated as retrenchment (triggering statutory retrenchment packages under the Labour Act) versus a contractual severance.

Currency

Given Zimbabwe's muti-currency environment, compensation and equity valuations should specify currency and exchange-rate mechanics explicitly, as this is a frequent source of dispute.

Tax implications are as follows.

- All cash and non-cash benefits (including share-based benefits) fall within the broad definition of "remuneration"/gross income under the Income Tax Act and are subject to PAYE, taxed progressively.
- Bonuses have a limited annual tax-exempt threshold (periodically adjusted by the Finance Act, currently around USD700 or local-currency equivalent); amounts above this are fully taxable.
- Non-cash benefits (share awards, vehicles, loans, etc) are valued and taxed as "advantages/benefits" in the employee's hands.
- Employer and employee both contribute to NSSA; pension/retirement annuity contributions attract limited tax deductibility.
- There is no specific concessionary regime for share options/RSUs, the gain is generally taxed as ordinary income when the benefit is realised/vests, so timing and valuation mechanics should be built into the plan rules with local tax advice.

Enforceability of Restrictive Covenants

A restraint is prima facie valid and enforceable. The onus is on the employee seeking to escape it to prove it is unreasonable and contrary to public policy.

Courts assess reasonableness by reference to time, geographic scope and the nature of the protectable interest (trade secrets, confidential information, customer connections/goodwill). In *Greendale Hardware & Electrical (Pvt) Ltd v Goodfellow Bangaba* SC 15/07, the Supreme Court held that a restraint aimed only at preventing an ex-employee from using generally acquired skill/knowledge (rather than protecting a genuine proprietary interest) is unreasonable and unenforceable.

11. Real Property and Commercial Leasing

11.1 Requirements for Land Ownership

Under Zimbabwean common law, rights in land may broadly be classified into the following categories.

- Freehold tenure – land held under a registered title deed. The holder generally enjoys rights of use, occupation, protection against eviction, vindication, transfer, sale and other dealings with the property.
- Leasehold tenure – land occupied and used pursuant to a lease agreement. The rights are generally personal and subject to the terms of the lease, although a lease exceeding ten years and registered with the Registrar of Deeds may create real rights.
- Statutory tenure – rights created and regulated by statute, including customary rights over communal land and rights arising from state-issued permits.
- Limited real rights – rights allowing a person to exercise specific rights over another's land, such as servitudes and usufructs, without being the owner.

These rights are subject to the state's power of eminent domain, under which private property may be compulsorily acquired or expropriated for a public purpose, subject to the applicable constitutional

and statutory requirements, including compensation where provided for by law.

Requirements and Restrictions on Foreign Individuals

In terms of Section 71 of the Constitution of Zimbabwe, foreign individuals and corporations generally have the right to acquire, hold, occupy, use, transfer, lease, mortgage and dispose of real property in Zimbabwe. There is no general residency or licensing requirement applicable solely by reason of being a foreign purchaser.

However, the acquisition of agricultural land by foreign persons is restricted, subject to the constitutional and statutory framework governing agricultural land. Foreign purchasers are also subject to the same conveyancing, registration and applicable tax requirements as other purchasers, including payment of transfer fees and any applicable taxes or levies.

11.2 Commercial Real Estate Transactions

The principal considerations in commercial real property acquisitions and dispositions are ensuring clear title and ownership through due diligence, identifying any encumbrances or restrictions affecting the property, obtaining title insurance to protect against title defects, and assessing environmental risks. Encumbrances such as easements, restrictive covenants or burdensome leases may reduce the property's value and marketability, potentially affecting future sale or financing opportunities.

The registration of deeds and real rights in immovable property is regulated by the Deeds Registries Act [Chapter 20:05]. An electronic registry has been introduced to transform the current paper-based model.

Security over immovable property is typically created through a mortgage bond, registered at the deeds registry by the owner (mortgagor) in favour of the creditor (mortgagee) to secure existing or future indebtedness. Priority is generally determined by the order of registration, with earlier-ranking bonds taking precedence over later bonds, subject to any applicable agreements or statutory provisions.

In the event of default, the mortgagee may enforce the mortgage bond through the applicable legal process, including seeking judicial sale of the property, which applies proceeds applied towards the secured debt in accordance with the applicable ranking.

Commercial leases in Zimbabwe are primarily governed by common law, the terms of the lease agreement and applicable legislation. The lease should clearly address rent, duration, permitted use, renewal, maintenance, assignment and subletting, and termination.

Renewal rights depend principally on the terms of the lease and any applicable statutory protections. Assignment or subletting generally requires the landlord's consent, subject to the terms of the lease and applicable law.

A lease for a period exceeding ten years should be registered in the Deeds Registry in terms of the Deeds Registries Act [Chapter 20:05] where it is intended to create a real right in the property.

In the event of default, including non-payment of rent or breach of other material obligations, the landlord may, subject to the lease and applicable law, cancel the lease and seek ejectment and recovery of arrear rentals or damages. The tenant may similarly have remedies for breach by the landlord, including enforcement of the landlord's obligations, cancellation and damages where appropriate.

The government is implementing two significant land tenure initiatives aimed at strengthening security of tenure and formalising land rights, namely the agricultural land tenure reform programme and the presidential title deeds programme. The latter focuses on urban, peri-urban, informal and other residential settlements undergoing regularisation.

The Deeds Registries Act [Chapter 20:05] was also amended to introduce Part VIII, providing for an Electronic Registry and the validation and verification of existing title deeds as mentioned above.

Trends and Developments

Contributed by:
Tendero Makanga and Kudzai Ruth Mukunga
Dube Manikai & Hwacha Legal Practitioners

Dube Manikai & Hwacha Legal Practitioners (DMH) is a leading Zimbabwean commercial law firm established in 1998, with a team comprising nine partners, five associates, eight candidate attorneys and 29 support staff. Based in Harare, Zimbabwe, DMH is a full-service firm providing end-to-end legal services to corporates, financial institutions, investors and public sector entities. The firm has particular expertise in commercial and financial services, trade and investment, corporate and transactional matters, tax, ICT, data protection, intellectual property, employment, litigation, conveyancing and securitisation, enabling an integrated approach to complex mandates. Recent work includes advising FBC Holdings Limited, Innscor Group, the Reserve Bank of Zimbabwe and Afreximbank on commercial, financial, regulatory and transactional matters. DMH's multidisciplinary structure enables it to draw on specialist expertise across practice areas to deliver practical, commercially focused legal solutions to its clients.

Authors



Tendero Makanga is a partner in DMH's commercial and financial services and tax group, with ten years' experience. She specialises in tax advisory, tax litigation and commercial litigation. Tendero advises corporate and commercial clients on tax planning, the interpretation and application of tax legislation, and tax implications arising from commercial transactions. She represents clients in tax and commercial disputes, including in objections against assessments issued by the Zimbabwe Revenue Authority, mediation and litigation. Her experience includes advising Innscor Africa Group companies, Padenga Holdings, Fastjet Zimbabwe, Tsebo Zimbabwe and FBC Bank on tax matters.



Kudzai Ruth Mukunga is a candidate attorney in DMH's commercial and financial services and tax group and litigation team. She assists on commercial and corporate transactions, legal research, due diligence, regulatory advisory, and drafting and reviewing commercial contracts. Kudzai also supports civil and commercial litigation matters. Her experience includes serving as a Legal Research Clerk at the Constitutional Court of South Africa, where she conducted local and comparative legal research and prepared memoranda on complex constitutional and commercial issues. She has further developed practical commercial and litigation experience through roles at the University of Cape Town Law Clinic and leading Zimbabwean law firms.

Dube, Manikai and Hwacha Legal Practitioners

4 Fleetwood Road
Alexandra Park
Harare
Zimbabwe

Tel: +263 04 250909/12
Fax: +263 780350
Email: admin@dmh.co.zw
Web: www.dubemanikaihwacha.com

DMH
FULL SERVICE LAW FIRM

Tax Matters

Introduction

Zimbabwe's tax landscape has continued to evolve in response to economic developments, changes in commercial activities, complications arising from the wording of tax legislation and the need to strengthen revenue collection. During 2026, several significant changes have occurred affecting both individual taxpayers and businesses operating in the jurisdiction. These changes include the introduction of a Digital Services Withholding Tax (DSWT) on certain electronic and digital services supplied by non-resident entities; the repeal of provisions restricting the deduction of certain interest expenses incurred by financial institutions; the introduction of a Presumptive Rental Income Tax, and the introduction of a Special Capital Gains Tax on transactions involving the transfer of shares or interest in a landholding entity. Finally, the Zimbabwe Revenue Authority (ZIMRA) has instituted measures to tighten tax collection and administration in respect of trusts, and to clarify the statutory obligations of taxpayers.

The above developments have implications for both domestic and foreign taxpayers, and evidence a broader shift towards strengthening tax compliance and expanding the tax base. They further reveal practical challenges that may arise from the interpretation and application of tax laws, particularly where new provisions intersect with established commercial practices. This article considers the three key tax developments identified above and highlights their practical implications for taxpayers, financial institutions, and other affected stakeholders.

Digital Services Withholding Tax

Effective 1 January 2026, Section 13A of the Value Added Tax Act (the "VAT Act") was introduced to provide for the levying of a DSWT on supply of electronic and digital services by foreign, non-resident suppliers.

The provision provides that, whenever payment is made for goods and services in Zimbabwe that are supplied from outside Zimbabwe by a company or other entity domiciled outside Zimbabwe, or of electronic services by an electronic commerce operator domiciled outside Zimbabwe to a person resident in Zimbabwe, such supply shall be deemed to be a supply made in Zimbabwe to which there shall be charged, levied and collected, a digital services withholding tax at the standard rate of 15.5%. The foreign supplier will be liable to register for VAT where they meet the VAT threshold and account for such VAT. The compulsory VAT registration threshold is USD25,000 of the total value of taxable supplies made by a supplier in the course of carrying on business or its equivalent in ZWL per period of 12 months.

An "electronic commerce operator" is defined as an operator selling, providing or delivering services from outside Zimbabwe by the use of a telecommunications network or electronic means (and whether mediated by computers, mobile telephones or other devices) to customers or users in Zimbabwe.

DSWT therefore applies where services are supplied electronically; the supplier is non-resident; and the services are consumed or utilised in Zimbabwe. The tax does not apply to imported physical goods; services rendered physically or services consumed outside Zimbabwe.

To enhance collection, the DSWT is withheld by any intermediary from any amount to be remitted outside Zimbabwe in respect of the supply and the intermediary will pay the amount withheld to the Commissioner of the Zimbabwe Revenue Authority (ZIMRA) within 30 days of the date of payment or within such further time as the Commissioner may for good cause allow. An "intermediary" is defined as any person who is a "financial institution" as defined in the Act.

VAT-registered operators in Zimbabwe may claim input tax using valid tax invoices issued by non-resident suppliers, subject to provisions of the VAT Act.

Examples of electronic services to which DSWT applies include streaming, cloud computing and hosting services; online advertising and digital marketplace commissions; downloadable digital content (apps, e-books, films); subscription-based electronic media (news, magazines, journals); software programmes, drivers, firewalls and filters; electronic data management, cloud storage and file-sharing; search engine and automated helpdesk services; and tickets

supplied electronically for live events amongst other things.

Practically, the DSWT applies to streaming and media services on platforms such as Netflix, Spotify, Apple TV and other digital subscriptions, connectivity through satellite internet services such as Starlink which has seen increased uptake in Zimbabwe, and payments made for other digital applications and services from foreign e-hailing applications.

Deduction of interest expense in the determination of taxable income

Sometime in 2025, a dispute arose between the Zimbabwe Revenue Authority and banks over the interpretation of Section 16 (1)(o) of the Income Tax Act [Chapter 23:06] (ITA), which regulates expenses that may not be deducted when computing taxable income.

Section 16 (1)(o) of the ITA provides that any expenditure incurred in the production of income consisting of interest payable by any bank, discount house or finance house registered or required to be registered in terms of the Banking Act [Chapter 24:20]; or any building society registered or required to be registered in terms of the Building Societies Act [Chapter 24:02]; in respect of any loan to or deposit with that bank, discount house, finance house or building society, may not be deducted when computing taxable income.

On the basis of this provision, ZIMRA took the view that banks were deducting interest expense in the determination of taxable income when, in terms of Section 16 (1)(o) of the ITA, interest expense is a prohibited expenditure. In other words, ZIMRA contended that the provision disallows any interest expenditure "payable by a bank", thereby capturing the entirety of the banks' interest expense.

The banks, on the other hand, took the view that Section 16 (1)(o) of the ITA only disallows interest earned by banks from other financial institutions and does not disallow interest paid to depositors at large, which interest is allowable under Section 15 (2)(a) of the ITA on allowable deductions as it is a cost incurred by banks in the production of income.

Moreover, the banks contended that Section 16 (1)(o) does not prohibit banks, finance houses and discount houses from deducting their interest expenditure. Rather, it disallows expenditure incurred by depositors who have earned interest income payable by banks, finance houses and discount houses, whose interest income is withheld at source in terms of the resident tax on interest provision in Section 34 of the ITA as read with the 21st Schedule.

The dispute resulted in ZIMRA issuing assessments against several banks, whose assessments were challenged through the prescribed legal channels.

However, through lobbying by the banks and the relevant stakeholders on this issue, given the dire impact ZIMRA's interpretation of the section had on banking practice, Section 16 (1)(o) of the ITA was repealed by the Finance Act No 7 of 2025, effective 1 January 2026.

Lobbying by banks and relevant stakeholders turned on the role and significance of interest expense for banks in several respects. For commercial banks, interest expense constitutes the cost and funds acquired from various sources to finance their lending and other investment activities. This would include interest paid on customer deposits, borrowings from other financial institutions and any debt instruments issued by banks. Secondly, interest expense is crucial for banks as they primarily generate revenue by lending money at a higher interest rate than that which is paid to acquire it, thus contributing to the profit margins earned by the bank. Thirdly, interest expense is also incurred in managing a bank's liquidity, capital structure and growth. The management of interest expense is thus vital to profitability and sustained commercial growth. The repeal of Section 16 (1)(o) of the ITA now allows banks to access commercial value in the course of their banking activities in the manners identified above.

Unfortunately, the repeal of the section does not apply in retrospect – ie, to the period prior to its repeal, which allows ZIMRA to pursue its interpretation of the Act for the period prior to the repeal. The dispute between ZIMRA and the banks therefore continues for the period prior to the repeal.

Presumptive rental income tax

Rental income has always been subject to taxation under Section 8 (1)(l) of the Income Tax Act, which defines gross income to include any amount paid in the form of rent, premium or consideration, for the right of use or occupation of a property.

However, the government identified that rental income was a major undertaxed stream with widespread non-compliance, particularly by unregistered property owners who converted their personal assets into income-generating commercial ventures without formalising their tax status.

Effective 1 January 2026, and in a bid to enhance tax collection from rental income, Section 36R of the ITA on presumptive rental income tax was introduced through the Finance Act No 7 of 2025, and provides for the charging, levying and collection of a presumptive taxpayer rental tax at the rate of 15%.

The tax is payable by the proprietor, the landlord, owner, lessee or sub-lessee (collectively "registrable proprietors") of land or premises who receives rental directly or indirectly from a tenant liable for presumptive tax. A tenant liable for presumptive tax is a tenant who pays rent to the "registrable proprietor" in order to conduct business, trade or an occupation on such land or premises. Where rent is paid by a tenant liable for presumptive tax, the tenant is required to withhold and remit the tax directly to ZIMRA if the landlord or agent fails to comply.

With this tax, ZIMRA estimates rental income where records are absent – ie, where a registrable proprietor is not registered with ZIMRA, effectively bringing informal operators into compliance. The measures are targeted specifically at commercial and service-use properties, with residential landlords excluded.

The tax is treated as a final tax; no deductions or allowances are permitted, and it cannot be credited or set off against any other income tax.

Special capital gains tax

Section 30C was inserted into the Capital Gain Tax Act by Section 51 of the Finance Act (No 7) of 2025, with effect from the year of assessment beginning on 1 January 2026. It imposes a special capital gains tax, at the rate of 20% of the value of the transaction, on any transaction concluded within or outside Zimbabwe whereby shares or interests in a landholding entity are transferred on or after 1 January 2026.

Section 30C(4)(b) imposes primary liability for the special capital gains tax upon the person or entity to whom the shares are transferred, the transferor being liable only in default of the transferee.

A "landholding entity" is defined as any one of the following entities, which, at the date of transfer, holds "any title" to any piece of land in Zimbabwe or to immovable property in Zimbabwe:

- a company or other business entity, unless it is incorporated under the Companies and Other Business Entities Act [Chapter 24:31] (ie, a non-Zimbabwe registered entity);
- a company incorporated or domiciled outside Zimbabwe;
- a locally incorporated subsidiary company of a holding company incorporated or domiciled outside Zimbabwe;
- any other entity whatsoever domiciled outside Zimbabwe which is capable, by the law of the country of its domicile, of holding title to land or other real right, including a trust, syndicate or joint venture; or
- an entity of any of the foregoing descriptions which is the nominee of a beneficial owner of any piece of land in Zimbabwe.

Two requirements arise that must both be satisfied. An entity will be classified as a landholding entity only if it both falls within one of the categories listed above, and secondly holds title to land or immovable property in Zimbabwe at the date of the transfer.

Since promulgation of Section 30C, there has been debate about whether the provision also applies in instances where shares or interests in an entity that does not hold land directly but through its subsidiaries, are transferred.

Other commentators take the view that Section 30C contains no provision for "looking through" an entity to the assets of its subsidiaries and had this been

the case, the provision could have been instructive such that it specifically applies to entities holding land directly as well as indirectly through its subsidiaries. This is further confirmed by the fact that the legislature addressed indirect holdings expressly, and did so narrowly, by including companies that hold land in Zimbabwe as nominees for a beneficial owner. Hence, the specific provision made for nominee arrangements tells against the implication of a general look-through and no look-through can be implied.

An alternative viewpoint argues that Section 30C contains a look-through provision and is also applicable where the entity does not hold land directly but through its subsidiaries, because had it been the intention of the legislature to exclude such land held indirectly through subsidiaries, it could have specifically stated so. Additionally, not applying the provision to such entities would lead to entities structuring their organisations and transactions in such a way that undermines the payment of such tax on transfer of shares and interest in the entities.

These diverging view points are yet to be determined by ZIMRA and tested by the courts.

Tax compliance obligations for trusts

ZIMRA, through Public Notice 19 of 2026 ("the notice"), issued on 30 March 2026, confirmed that all trusts in Zimbabwe, whether family or business, fall within the scope of the tax regime and must comply with registration, reporting and record-keeping obligations under the Income Tax Act and related tax legislation like the Capital Gains Tax Act, and the Value Added Tax Act.

In line with Section 6 of the Income Tax Act (Levy of Income Tax), income tax is triggered by the earning or accrual of income. In other words, income tax becomes payable when income is generated or accrues to the trust, regardless of whether it is immediately distributed or retained within the trust structure. The obligation to account for tax, therefore, arises at the point of income generation within the relevant tax year.

The notice reinforces that all trusts, whether active or dormant, fall within ZIMRA's compliance framework and must meet registration, reporting and record-keeping obligations.

In terms of the notice, a non-income generating family trust which is typically established for the preservation and administration of family wealth, such as immovable property, investments or inheritance planning, is required to be registered with ZIMRA and obtain a Tax Identification Number (TIN), as it is recognised as a "person" for tax purposes. If the trust has no income, no tax is payable for that year of assessment. However, trustees are still required to submit nil returns where applicable and maintain proper accounting records. The trust remains compliant in status even when inactive, as ZIMRA requires visibility of all registered trusts.

Further, an income-generating business trust which is typically created to conduct profit-making activities such as trading, property development, leasing or investments, is liable to pay tax on the income it generates and taxable income includes business profits, rental income, investment returns and capital gains. The trust must fully disclose all income and file accurate returns, and the tax liability depends on the structure of the trust income – ie:

- income vested in a beneficiary is taxed in the hands of the beneficiary;
- income not vested or discretionary income is taxed in the hands of the trust; and
- where the settlor retains control or benefit, ZIMRA may deem income taxable in the settlor's hands.

In summary, the compliance emphasis under Public Notice 19 of 2026 is that trusts are required to:

- register with ZIMRA and obtain a TIN;
- submit all outstanding returns;
- correct any past errors or omissions;
- maintain proper books of account; and
- disclose all income sources fully.

Accordingly, a family trust with no income has no tax liability, but must remain registered and compliant, and a business trust is taxed on income as it is generated or accrues, subject to whether such income is vested in beneficiaries or retained by the trust.

Conclusion

For taxpayers, the developments highlighted in this article underscore the importance of understanding the scope and application of tax obligations in order to ensure that appropriate compliance measures are adopted. Disputes in the interpretation of tax legislation illustrate the importance of clarity in legislation and the sometimes positive outcomes that arise through scrutinisation of the manner in which tax laws are applied and consequential reforms and legislative development. The publication of public notices by ZIMRA, as has been discussed in the case of tax obligations of family and business trusts is one such instance where clarity in the scope and application of tax law is advanced to assist taxpayers in understanding their tax liabilities and ancillary obligations.

Chambers | Practice Guides

Chambers Global Practice Guides bring you up-to-date, expert legal commentary on the main practice areas from around the globe. Focusing on the practical legal issues affecting businesses, the guides enable readers to compare legislation and procedure and read trend forecasts from legal experts from across key jurisdictions.

To find out more information about how we select contributors, email Luke.Wilson@Chambers.com