

Zimbabwe Investment and Development Agency (Special
Economic Zones) Regulations, 2023

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IT is hereby notified that the Minister of Finance, Economic Development and Investment Promotion, in terms of section 46 of the Zimbabwe Investment and Development Agency Act [*Chapter 14:38*], and in consultation with the Zimbabwe Investment and Development Agency, has made the following regulations:—

PART I

PRELIMINARY

Title

1. These regulations may be cited as the Zimbabwe Investment and Development Agency (Special Economic Zones) Regulations, 2023.

Interpretation

2. In these regulations—

“coordinates” means unique identifiers of the geographical location of designated special economic zones;

“designation” means choosing a geographical area and giving it the status of a special economic zone;

“developer” means a person with a permit issued in terms of section 3(2) to develop special economic zone infrastructure;

“infrastructure” means roads, power, water, drainage, telecommunication, sanitation or water treatment plants, networks, buildings or other facilities necessary for the development and operation of a special economic zone;

“manufacturing” means the processing of raw materials into a finished product to the extent that the raw material changes its original form resulting into a finished product with a different form and tariff classification at tariff heading level designated by the Customs and Excise Act [*Chapter 23:02*];

“operator” means any person, who has been issued with a permit under these regulations to operate and manage a special economic zone;

“special economic zone licence” means any licence issued for investments within special economic zones under these regulations;

“special economic zone owner” means any person who has the title over the land and has been granted a special economic zone designation for the land and can also be a special economic zone developer;

“special economic zone permit” means any permit issued for the developer or operator of a special economic zone under these regulations.

PART II

DESIGNATION OF SPECIAL ECONOMIC ZONES

Designation of Special Economic Zones

3. (1) Any person who owns land or has a lease of not less than twenty-five (25) years over a piece of land may apply to the Agency in the form and manner specified on the ZIDA website for the designation of a specified area of the land as a special economic Zone (SEZ).

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(2) In applying for designation of an SEZ the applicant shall submit—

- (a) in the case where the owner of the land or the lessee is going to provide development and operation on the SEZ, he or she shall indicate that fact on the application and submit together with the application a non-refundable—
 - (i) designation fee; and
 - (ii) development permit fee; and
 - (iii) operator permit fee;or
- (b) in the case where the owner of land or the lessee is not going to provide development of infrastructure and operation on the SEZ he or she must indicate who the planned developer and operator are and submit together with the application a non-refundable owner's or lessee's application for designation; as specified in the First Schedule.

(3) Owners should note that no applicant for an SEZ licence shall have their licence approved unless they demonstrate and guarantee compliance with the eligibility criteria which shall include, in the case of SEZs for manufacturing—

- (a) export of 80% of the finished product from their manufacturing processes; and
- (b) modern manufacturing plants for adequate exploitation within particular sectors of the economy; and
- (c) technology transfer through agreements and training of local human resources; and
- (d) 90% employment of local personnel; and
- (e) 100% of finished products from the raw materials used in the manufacturing process; and
- (f) show proof of availability of an initial investment sum equivalent to fifty thousand United States Dollars (US\$ 50 000,00) in convertible foreign currency; and

(g) establish linkages within the domestic economy.

(4) For other types of SEZs, no applicant for an SEZ licence shall have their licence approved unless they meet eligibility criteria established by the Agency.

(5) No application for a SEZ designation shall be approved where the designation is for a licensed investor whose licensed activity is excluded from benefiting from incentives reserved for special economic zones by any other law.

(6) In applying for designation of an SEZ the applicant shall also—

- (a) demonstrate that he or she has sufficient access to financial resources;
- (b) demonstrate that he or she can provide expertise for the development and operation of an SEZ;
- (c) provide proposed geographical location, boundary specifications and map coordinates of the area;
- (d) provide a statement on the availability and accessibility to infrastructure as well as topographical and construction constraints;
- (e) provide a comprehensive market-demand analysis identifying strengths, weaknesses, opportunities, threats; local and foreign clients; potential markets and competitors; future prospects; and attractiveness to potential investors to locate in the SEZ;
- (f) provide a schematic master plan;
- (g) provide a prospectus for an initial environmental and social impact assessment approved by the Environmental Management Agency.

(7) A designation of an SEZ shall specify the geographical coordinates and physical description of the zone.

(8) Where an SEZ was designated before the coming into operation of these regulations the SEZ owner shall, within one hundred and eighty (180) days, submit together with the developer and operator an application for—

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- (a) developer's permit; and
- (b) operator's permit;

together with the application fee as specified in the First Schedule.

(9) An SEZ owner that fails to submit an application for a—

- (a) developer's permit; and
- (b) operator's permit;

within the period specified in subsection (8) shall have their designation abolished by the Agency.

(10) Within thirty (30) days from the date of receiving a complete application, the Agency shall consider the application and, in its consideration, shall have due regard to the following—

- (a) all materials submitted or gathered for the application to designate; and
- (b) representations by any person affected or potentially affected by the designation during its consultative process;

and publish a general notice in a nationwide newspaper and a local newspaper widely circulated in the area where the designation is anticipated calling upon the public to express any objections to the proposed designation.

(11) Where there are objections from the public, the Agency shall consider them and discuss with the relevant parties in order to come up with an amicable solution.

(12) After settling any objections from the public and the Agency is satisfied that the applicant(s) meet the requirements of the Act and these regulations—

- (a) it shall approve with such conditions as may be necessary the designation and issue the applicant with—
 - (i) an SEZ designation certificate in the case of the owner of the land or lessee;
 - (ii) if the SEZ owner is also the developer and operator: a developer's permit and an operator's permit;

or

- (b) reject the application for an SEZ designation and give reasons.

Notice of designation

4. After the Agency has approved an application to designate an area as an SEZ it shall publish a notice in the *Gazette* through a statutory instrument.

Issuing of SEZ permits for SEZ established prior to effective date

5. (1) Where an SEZ was designated prior to the coming into operation of these regulations, the application for the developer's permit or operator's permit shall be submitted through the SEZ owner and the developer and operator must be made aware of the SEZ licences requirements in section 3(3).

(2) The Agency shall within fourteen (14) days after the receipt of the complete application—

- (a) issue a developer's permit and an operator's permit to the applicants with such conditions as it may impose;
or
- (b) reject the application and give reasons.

Issuing of SEZ permits for SEZ established after effective date

6. (1) Where an SEZ was designated after the coming into operation of these regulations, the application for the developer's permit or operator's permit shall be submitted to the Agency. The application shall be in the form available on the ZIDA website and shall be submitted together with the fee specified in the First Schedule.

(2) The Agency shall, within fourteen (14) days after the receipt of the complete application—

- (a) issue a developer's permit and an operator's permit to the applicants with such conditions as it may impose;
or
- (b) reject the application and give reasons.

Obligations of SEZ owner

7. Where the SEZ owner—

- (a) is the developer it shall—
 - (i) assume obligations stipulated in section 8;
 - (ii) ensure the raising of required capital for the SEZ development;
 - (iii) provide offsite infrastructure to enable the SEZ activation, where necessary and pursuant to an agreement with the relevant Government entities;
 - (iv) clearly demarcate the SEZ with boundary fence or precast wall and brand the SEZ as per the Agency's specifications;
 - (v) market and promote the SEZ to potential investors;
 - (vi) not sale land within the SEZ;
 - (vii) maintain company books, records, accounts, and financial statements in accordance with the international financial reporting standards; such books, records, accounts and annual financial return being subject to independent audits as required in terms of the law;

or

- (b) is not the developer, it shall appoint a developer and sign a development agreement.

Obligations of SEZ developers

8. The developer to whom an SEZ developer's permit has been granted shall—

- (a) develop the SEZ in conformity with the requirements specified in section 3(3);
- (b) provide, at no cost to the Agency, physical space for the setup of the one-stop investment services centre inside the SEZ;

- (c) not sale land within the SEZ;
- (d) submit developmental progress report to the Agency on timelines as determined by the Agency on the issuance of permit.

Obligations of SEZ operators

9. Operators with an SEZ permit shall—
- (a) screen investor project applications as guided by section 3(3);
 - (b) submit SEZ investor licence application to the Agency for approval;
 - (c) provide administrative services to SEZ licensed investors including managing lease agreements;
 - (d) maintain onsite infrastructure;
 - (e) facilitate the provision of value-added services such as banking, restaurants, and hotels inside the SEZ;
 - (f) market and promote the SEZ to potential investors;
 - (g) not sale land within the SEZ;
 - (h) notify the Agency immediately upon becoming aware of any violation or non-compliance with the Act and these regulations within the SEZ it operates.

PART III

LICENSING OF SPECIAL ECONOMIC ZONE INVESTORS

Application for SEZ licences

10. (1) Any person who applies for an investment in an SEZ which shall be in the form available on the ZIDA website, shall submit such application together with the fee specified in the First Schedule.

- (2) An application for an SEZ licence shall include—
- (a) the name and shareholders of the investor;
 - (b) a written statement describing the proposed business activities to be carried out by the applicant;

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- (c) evidence of a plot or facilities space allocation by an SEZ developer or operator, where applicable, the estimated time schedule for the design, construction and activation of the applicant's facilities including phased design, construction, and activation thereof;
 - (d) an undertaking that the proposed investment shall meet the requirements in section 3(3); and
 - (e) any additional information as the Agency may require.
- (3) All applications for an SEZ licence shall be submitted electronically.

Requirements for issuing SEZ licences

11. (1) An SEZ licence may be issued for—

- (a) a new business;
- (b) the expansion or relocation of an existing business from one SEZ to another; or
- (c) the expansion of an existing business from a part of the country outside an SEZ to an SEZ:

Provided that a separate legal entity is created in the SEZ and will focus solely on achieving the requirements in section 3(3).

(2) A licence issued pursuant to section 11(1)(c) shall include a statement undertaking that—

- (a) the investment in the SEZ is an incremental investment that will generate new employment and products or services; and
- (b) no reduction in employment in the existing business will occur because of the expansion or relocation to the SEZ.

Approval or refusal of SEZ licences

12. (1) In evaluating SEZ license applications, the Agency shall conduct investigations into any matter related to the application as it may deem necessary.

(2) The Agency shall, within five (5) days of receipt of an application under this Part—

- (a) where it is satisfied that the application meets the requirements stated in these regulations, grant the SEZ licence and notify the applicant in writing;
- (b) where the application does not meet the requirements of these regulations, reject the application and give reasons in writing.

Annual fees

13. (1) Three (3) months before the expiry of the financial year, every investor shall pay the annual fee specified in the First Schedule.

(2) Where an investor fails to pay the annual fee as required in subsection (1), it shall be subject to a late payment fee as specified in the First Schedule.

(3) Any investor who fails to pay the annual fee or the late payment fee may have their permit or licence revoked, after failing to rectify same three (3) months after a notice of imminent revocation.

(4) No annual fee shall be required the year the licence is renewed.

Renewal of SEZ permits and licences

14. (1) Any permit holder or licensee shall renew an SEZ permit or licence by completing and submitting the form specified on the Agency's website and paying the fee specified in the First Schedule—

- (a) six (6) months before the expiry of the permit; or
- (b) three (3) months before the expiry of the licence.

(2) Where an SEZ licensee fails to renew the licence by the last date of the validity period, they shall cease operations in the SEZ.

(3) The Agency may consider an application for renewal of an SEZ licence or permit submitted within three months after the date of expiry provided the applicant pays a penalty fee as specified in the First Schedule.

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(4) The Agency shall, within seven (7) days after submission of a renewal application and where the—

- (a) application is successful, issue an SEZ permit or licence;
or
- (b) Agency has reasonable grounds to refuse or to reject issuing the permit or licence, and give written reasons.

Amendment and replacement of SEZ permits and licences

15. (1) A licensee or permit holder shall without delay inform the Agency of any changes in the circumstances that necessitates an amendment to the license or permit, including any material or minor alteration in the information or particulars provided in the application for the licence or permit.

(2) A licensee or permit holder who fails to disclose any material information necessitating amendment of the permit or licence shall have their licence or permit cancelled.

(3) Upon review of the information provided by the investor, the Agency shall decide whether to amend the licence or permit for minor alterations or require the issuance of a new licence or permit for material alterations.

(4) An investor who loses an SEZ licence or permit may apply for a replacement from the Agency and submit together with a fee specified in the First Schedule and the Agency shall within three (3) days issue a replacement.

(5) Any amendment or replacement of the licence or permit is subject to a fee as specified in the First Schedule, except if the alteration is due to a mistake of the Agency.

Suspension or cancellation of SEZ permits and licences

16. (1) A licence or permit issued under these regulations may be suspended or cancelled if the licensee or permit holder—

- (a) obtained the licence or permit on the basis of fraud, false or misleading statements, or misrepresentation;

- (b) fails to comply with the obligations contained in the developer agreement or operator agreement or any agreement between the operator and licensee, as applicable;
- (c) fails to comply with the terms and conditions of the licence or permit;
- (d) contravenes or fails to comply with applicable customs and excise rules and procedures; or
- (e) contravenes any provision of the Act or any other law.

(2) Where a permit holder or licensee is in breach of any of the conditions of their permit or licence, the Agency shall write to the permit holder or licensee requiring the permit holder or licensee, as the case may be, to comply with the terms or conditions of the permit or licence within a specified period.

(3) Where after requiring a permit holder or licensee to comply with the terms or conditions of the permit or licence, the permit holder or licensee fails to comply, the Agency may suspend the permit or licence and—

- (a) inform the licensee or permit holder, in writing of the suspension and state and outline the period and the basis for the suspension;
- (b) give the licensee or permit holder seven (7) days', within which the permit holder or licensee must respond to the allegations.

(4) After considering the permit holder or licensees' response to the allegations resulting in the suspension, the Agency may—

- (a) investigate and hold discussions; or
- (b) withdraw the suspension unconditionally or subject to conditions; or
- (c) cancel the permit or licence.

Obligations of licensee

17. An SEZ licensee shall—

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- (a) establish and implement the investment in compliance with the requirements of section 3(3);
- (b) commence business activities no later than sixty (60) days after the date the SEZ licence is issued, unless otherwise stated in the licence;
- (c) notify the Agency immediately upon becoming aware of any non-compliance with the Act and these regulations;
- (d) manage any waste produced as a result of its activities within the zone in compliance with the applicable environmental laws and any other national law;
- (e) maintain all company records, books of accounts, and financial statements in accordance with the international financial reporting standards;
- (f) have its company activities audited annually by independent auditors and submit the audit reports to the Agency.

PART IV

GENERAL

Minimum physical characteristics of the SEZ

18. The minimum physical characteristics of an SEZ are as specified in the Second Schedule.

Resizing of an existing SEZ

19. (1) Any person with a certificate for designation of a SEZ may apply to the Agency for a reduction or extension of the SEZ.

- (2) Subject to section 3—
 - (a) an applicant for a reduction or extension of an SEZ in terms of subsection (1) shall ensure that the area sought to be designated is contiguous to the original SEZ;
 - (b) the applicant shall submit the application form as specified on the Agency's website together with a fee specified in the First Schedule.

- (c) the Agency may approve or reject an application made under subsection (1).

Abolition of an SEZ designation

20. The Agency may, provided this is done in a non-discriminatory manner and in accordance with due process of law, abolish a designation under section 31(1) of the Act where it is satisfied that—

- (a) the designation no longer serves the objectives of the Act; or
- (b) the designation of the zone was done contrary to the law; or
- (c) there has been no development in terms of the conditions of the designation for three (3) years from the date of designation; or
- (d) there has been non-compliance with some or all of the terms of the designation.

Procedure for abolition of an SEZ designation

21. (1) The Agency shall, before abolishing a designation under section 20—

- (a) notify the holder of the designation certificate, permit holders and investors in the affected SEZ in writing of the intention to do so stating fully the reasons for the intended abolition; and
- (b) request the holder of the designation certificate, permit holder and investors in writing to submit written representations to the Agency within thirty (30) days of receipt of such written notice.

(2) Following representations from parties within the SEZ, the Agency shall withhold the proposed abolishment should the representations so warrant or shall abolish the SEZ designation subject to section 22.

Safeguards against speculation

22. If the Agency establishes that any action constitutes speculative investment in an SEZ, the Agency shall abolish the SEZ

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designation and require each party within the SEZ to pay such taxes as each party was supposed to have paid had it not been operating in an SEZ.

Record of maps, surveys, deeds and leases kept by Agency

23. (1) The Agency shall establish and maintain a registry of SEZs coordinates, maps, surveys, title deeds, and leases for the designated land.

(2) The registry established under these regulations shall be open for inspection by the general public during business hours.

PART V

INSPECTION AND ENFORCEMENT

Monitoring of SEZ activities

24. (1) The Agency shall monitor and conduct inspections on facilities and activities of the licensees and permit holders in an SEZ for compliance with the law and any operational manuals established by the Agency.

(2) The SEZ licensees and permit holders shall cooperate with, and aid, the Agency in the conducting of inspections under subsection (1).

(3) Notwithstanding subsection (2), the Agency may without notice and at any hour, conduct an inspection of an SEZ if it has reasonable grounds to believe that there exists a significant risk to health, safety or public order.

(4) Any person who—

- (a) obstructs or interferes with an inspection in terms of this section;
- (b) refuses or fails to comply with a request by the Agency to inspect; or
- (c) makes a statement which a person knows to be materially false or misleading;

shall be guilty of an offence and liable to a fine of not less than level 14 or to imprisonment for a period not less than two (2) years or to both such fine and such imprisonment.

Repeal

25. These regulations repeal the Special Economic Zones (General) Regulations, 2018, published in Statutory Instrument 154 of 2018.

FIRST SCHEDULE

FEES (*Section 3*)

1. APPLICATIONS

SEZ Designation Application Fee	US\$1 000
SEZ Designation Fee	US\$50 000
SEZ Developer Application Fee	US\$1 000
SEZ Developer Permit Fee	US\$20 000
SEZ Developer Annual Fee	US\$5 000
SEZ Operator Application Fee	US\$1 000
SEZ Operator Permit Fee	US\$20 000
SEZ Operator Annual Fee	US\$5 000
SEZ Investor Application Fee	US\$1 000
SEZ Investor Licence	US\$10 000
SEZ Investor Annual Fee	US\$2 500
Application for resizing of an existing SEZ	US\$5 000
Application for alteration or amendment of an SEZ Permit or Licence	US\$3 000
Application for replacement of lost SEZ Permit or Licence	US\$3 000

*SEZ Licenses and Permits are valid for ten (10) years subject to applicable terms and conditions.

2. PENALTIES

These are payable when there is a delay after date specified but within time limit, (time limit specified as six (6) months for permits and three (3) months for licences

(i) Late Permit Renewal – Developer	US\$ 2 500
(ii) Late Permit Renewal – Operator	US\$ 2 500
(iii) Late Licence Renewal – Investor	US\$ 2 500
(iv) Late Annual fee	US\$ 2 500

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SECOND SCHEDULE

MINIMUM PHYSICAL CHARACTERISTICS (*Section 18*)

1. Markings shall be as follows
 - (a) Clearly marked GPS Coordinates;
 - (b) Land size given and recorded in the *Gazette*;
 - (c) Demarcated by boundary fence – for Zones of 500 hectares or less;
 - (d) Signposted with ZIDA board – complete Zone Name, ZIDA Logo, Developer Name (ZIDA to provide details);
 - (e) Security access control and exit points;
 - (f) Security System;
 - (g) Fire Fighting systems/ Police Post/.
2. Minimum 33kVA powerline at boundary.
3. Minimum 100mm portable water supply line at boundary.
4. Minimum 18m dual lane access road at boundary.
5. Minimum tarmac paved internal road network.

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