

Value Added Tax (Fiscalised Recording of Taxable Transactions) Regulations, 2010

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IT is hereby notified that the Minister of Finance has, in terms of section 78 of the Value Added Tax Act (Chapter 23:12), made the following regulations:—

*Title and commencement*

1.(1) These Regulations may be cited as the Value Added Tax (Fiscalised Recording of Taxable Transactions) Regulations, 2010.

(2) These Regulations shall come into effect on the 1st July 2010.

*Interpretation.*

2. In these regulations—

“approved supplier” means a supplier of fiscalised electronic register or fiscal memory devices which is approved in terms of section 9;

- “back-up master audit facility” means the part of a dual recording system in a fiscalised or non-fiscalised electronic register that backs up the transactions recorded in favour of a customer, and which may be recorded electronically or on a paper based roll;
- “business partner number” or “BPN” means a unique number allocated by the Commissioner-General to registered operators for tax purposes;
- “electronic signature device” means a fiscalised detachable unit that enables a computer running an accounting software system to print invoices bearing an electronic signature;
- “electronic register” means an electronic sales register;
- “fiscalised” means containing fiscal memory;
- “fiscalised electronic register” or “register” means a register having the features specified in section 4;
- “fiscal memory” means a special read-only memory permanently built into a fiscalised electronic register or fiscal memory device to store tax information at the time of sale;
- “fiscal memory device” means an electronic signature device, or a fiscalised printer attachable to a non-fiscalised electronic register;
- “fixed date” means the date fixed in terms of section 1(2) as the date of commencement of these regulations;
- “form” means Form FRT1 or FRT2 set out in the First Schedule;
- “non fiscalised electronic register” means an electronic register to which a fiscal memory device can be attached.

#### *Application of regulations*

3.(1) Every registered operator in Category C as defined in section 27 of the Act, who is a retail operator shall, for the purposes of recording his or her taxable transactions, use —

- (a) a fiscalised electronic register; or
- (b) a non-fiscalised electronic register together with a fiscal memory device.

(2) Every registered operator other than a retail operator shall, for the purposes of recording his or her taxable transactions, use —

- (a) an electronic signature device; or
- (b) a fiscalised electronic register; or
- (c) a non-fiscalised electronic register together with a fiscal memory device

(3) Every registered operator shall in relation to every register or device referred to in subsections (1) or (2) be required to comply with the requirements of the Second Schedule;

(4) Every registered operator who is not able to comply with these regulations by the fixed date must apply for an extension to the Commissioner-General in writing setting out the reasons why he or she cannot comply and the Commissioner-General shall, on good cause shown, grant an extension for compliance not exceeding thirty days.

*Essential features of fiscalised electronic registers*

4. A fiscalised electronic register shall have the following essential features—

- (a) a screen on which the customer can see simultaneously displayed the input being made by the till operator; and
- (b) it must be capable of —
  - (i) printing sales slips for the customer with the following details—
    - A. the name and address of the registered operator; and
    - B. the date and time of the transaction; and
    - C. the VAT registration number of the registered operator; and
    - D. the business partner number (BPN) of the registered operator; and
    - E. the unique identification number of the register; and
    - F. the description, quantity, price and the value of sales of the goods and services in question; and
    - G. the amount of the tax payable; and
    - H. the total amount payable inclusive of the tax;
  - (ii) subject to section 6, retaining for a period of not less than three years, fiscal memory of total daily sales, total VAT charged and total sales into the following tax liability categories—
    - A. sales exempt from tax; and
    - B. sales charged at zero rate of tax; and
    - C. sales charged at the standard rate of tax; and
    - D. sales charged at special rate of taxas the case may be;
  - (iii) reading, displaying and printing the sales for the day as and when required and keeping details of such readings and the final daily readings of sales, including details of any previous readings done during that day;
- (c) it must incorporate a back up master audit facility;
- (d) it must incorporate or be capable of being upgraded to incorporate a feature enabling the fiscalised electronic register to be linked to an input facility operated by ZIMRA or any other network facility.

(2) In addition to the essential features referred to in subsection (1), a register shall comply with the technical requirements specified in the Third Schedule.

(3) Every electronic tax register shall have an emergency or back-up power supply capable of lasting at least eight hours from the time the main power supply ceases:

Provided that in the case of a register that forms part of a network of such registers, the emergency or back up power supply must be capable of powering all the registers in the network for the prescribed period.

*Essential features of fiscal memory devices*

5. (1) A fiscal memory device shall have the same features as are required for a fiscalised electronic register mentioned in section 4(a),(b),(c) and (d).

(2) In addition to the essential features referred to in subsection (1), a fiscal memory device shall comply with the technical requirements specified in the Third Schedule, where applicable.

(3) Every non-fiscalised electronic register to which a fiscal memory device is attached shall have an emergency or back-up power supply capable of lasting at least eight hours from the time the main power supply ceases:

Provided that in the case of a register that forms part of a network of such registers the emergency or back up power supply must be capable of powering all the registers in the network for the prescribed period.

*Theft or malfunctioning of a fiscalised electronic register or fiscal memory device*

6. In any case where a fiscalised electronic register or fiscal memory device is not in use for a period of more than eight hours by reason of an interruption in power supply, theft, technical fault or any other reason whatsoever, the registered operator shall—

- (a) promptly and in any case no later than eight hours from the time the register or device went out of use, notify the Authority;

Provided that if the interruption of power supply, theft, fault or other occurrence causing the register or device not to be in use, occurred outside the operating hours of the registered operator, the registered operator must notify the Zimbabwe Revenue Authority no later than 8 am after the interruption, theft, fault or other occurrence.

- (b) not use any manual or other back up system of recording transactions except with the approval of the Commissioner-General.

Provided that if the Commissioner-General makes no response to a notification in terms of paragraph (a) after the lapse of four hours from the time the Commissioner-General verbally or in writing assigns a notification reference number to the registered operator, the registered operator can then use any manual or other back up system of recording transactions.

*Inspections and security of registers and devices*

7.(1) Without derogating from the powers of inspection contained in section 61 of the Act, the Commissioner-General or any other employee of the Authority authorised by the Commissioner-General shall have access at any given time to—

- (a) the premises, computers, books, records and other relevant documentation of any registered operator, trader or any person reasonably believed to be a trader; and
- (b) every fiscalised electronic device, fiscal memory device, non-fiscalised electronic register or electronic signature device of a registered operator;

for the purpose of ensuring compliance with these regulations.

(2) No person other than the Commissioner-General or any other employee of the Authority authorised by the Commissioner-General may break, substitute or in any way compromise the integrity of the leaden seal referred to in paragraph (b) of the Third Schedule.

(3) Any person other than Commissioner-General or authorised person authorised by him or her who breaks, substitutes or compromises the integrity of the leaden seal referred to in paragraph (b) of the Third Schedule shall be guilty of an offence and liable on conviction to a fine not exceeding level level or to imprisonment for a period not exceeding twelve months or to both such fine and such imprisonment.

#### *Information retrieval capacity and Replacement of fiscalised electronic registers and fiscal memory devices*

8.(1) Every fiscalised electronic register or fiscal memory device must in addition to the capabilities it is required to have by section 4 or 5, be capable of storing all entries inputted into it for a period of at least three years.

(2) If before the expiry of three years from the time it is put into use, the fiscalised electronic register or fiscal memory device is replaced, all entries required in terms of these regulations to be stored by the register or device must be capable of being retrieved or downloaded from the register or device in a form that is readable in the English Language.

#### *Approval of fiscalised electronic registers and fiscal memory devices*

9. (1) With the concurrence of the Minister, the Commissioner-General shall approve the manufacture, sell or distribution of fiscal electronic registers and fiscal memory devices.

(2) Any person who proposes to manufacture, sell or distribute fiscalised electronic registers and fiscal memory devices shall by written notification in form FTR2 request the Authority to inspect the prototype of the register or device for the purposes of becoming an approved supplier of those register or device.

(3) The Commissioner-General shall promptly respond to any application made in terms of subsection (2) and in any event shall endeavour to inspect the prototype register or device within seven days of receiving the application in Form FRT2.

(4) Upon inspection of the prototype register or device applied for in terms of subsection (2), the Commissioner-General shall in writing approve or decline the person making the application as a supplier of the register or device in question.

(5) It shall be a condition for the approval of an approved supplier in terms of this section that the supplier shall have an adequate back up service to the users of the registers or devices supplied by him or her.

#### *Offences and Penalties*

10. (1) Any person, who fails to comply with section 3 on the fixed date or within the extension date so extended shall be guilty of an offence and liable on conviction to a fine not exceeding level seven or to imprisonment for a period not exceeding twelve months or to both such fine and such imprisonment.

(2) Any person who manufactures, sells or distributes fiscalised electronic registers and fiscal memory devices or any other register or device purporting to be such without obtaining approval referred to in section 9 shall be guilty of an offence and liable on conviction to a fine not exceeding level seven or to imprisonment for a period not exceeding twelve months or to both such fine and such imprisonment.

(3) Any person who fails to comply with any requirements of the Second Schedule applicable to him or her shall be guilty of an offence and liable on conviction to a fine not exceeding level seven or to imprisonment for a period not exceeding twelve months or to both such fine and such imprisonment.

#### *Use of other registers*

11. For the avoidance of doubt, sections 22A and 23 of the Value Added Tax (General) Regulations, 2003 published as Statutory Instrument 273 of 2003 do not apply to operators in Category C.

**FIRST SCHEDULE (section 2)**

FORMS

Form FRT1

Value Added Tax (Fiscalised Recording of Taxable Transactions) Regulations, 2010

*(Second Schedule paragraph (c))*

**REGISTRATION BY REGISTERED OPERATOR OF FISCALISED ELECTRONIC REGISTER  
/FISCAL MEMORY DEVICES**

*Instructions on how to complete this form.*

- Attach annexures wherever necessary.
- Do not leave any questions blank or unanswered: where necessary answer “Not applicable” “Not known”.
- Upon completion, the original of this form and supporting annexures shall be submitted to :

The Commissioner General  
Zimbabwe Revenue Authority  
6<sup>th</sup> Floor ZB Centre  
59 Kwame Nkrumah Avenue  
(P O Box 4360)  
Harare.

- All inquiries concerning this form should be directed to the Commissioner-General of the Authority at the above address.

**PRELIMINARY**

**SECTION 1: PARTICULARS OF REGISTERED OPERATOR**

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1. Name, address and telephone/cell phone/fax/email number of registered operator:

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2. State the name, address and telephone/ cell phone/fax/email number of person (s) (if different from the above) who may be contacted regarding any questions in connection with this notification:

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3. Specify below or in an annexure hereto the make, quantity, date of manufacture, serial number and name of manufacturer, seller or retailer of every fiscalised electronic register or fiscal memory device proposed to be used in your operations:

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4. Address and time at which a specimen fiscalised electronic device /fiscal memory device\* referred to in 3 above can be inspected:

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5. Other relevant details: -----

We/I ----- declare that we/I have personally reviewed the information given above and that it is true and correct in all material respects.

Dated this ----- day of ----- (Month) ----- (Year) at -----

Signed: -----

\*Delete inapplicable



Value Added Tax (Fiscalised Recording of Taxable Transactions) Regulations, 2010

(Section 9(2))

APPLICATION FOR APPROVAL OF SUPPLIER OF PROTOTYPE FISCALISED ELECTRONIC REGISTER /FISCAL MEMORY DEVICES

*Instructions on how to complete this form.*

- Attach annexures wherever necessary.
- Do not leave any questions blank or unanswered: where necessary answer “Not applicable” “Not known”.
- Upon completion, the original of this form and supporting annexures shall be submitted to :

The Commissioner General  
Zimbabwe Revenue Authority  
6<sup>th</sup> Floor ZB Centre  
59 Kwame Nkrumah Avenue  
(P O Box 4360)  
Harare.

- All inquiries concerning this form should be directed to the Commissioner-General of the Authority at the above address.

**PRELIMINARY**

**SECTION 1: PARTICULARS OF NOTIFYING PERSON**

1. Name, address and telephone/cell phone/fax/email number of proposed supplier of fiscalised electronic register/fiscal memory device\*:

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2. Name, address and telephone/cell phone/fax/email number of manufacturer of fiscalised electronic register/fiscal memory device\*(If different from 1 above):

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3. VAT registration number of proposed supplier: -----

4. Business Partner Number of proposed supplier : -----

5. State the name, address and telephone/ cell phone/fax/email number of person (s) (if different from 1 above) who may be contacted regarding any questions in connection with this notification:

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6. Address and time at which the prototype fiscalised electronic register /fiscal memory device\* can be inspected:

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7. Fiscalised Electronic Register/Fiscal Memory Device\* Model: -----

8. Year of manufacture: -----

9. Name and address of manufacturer of Fiscalised Electronic Register/Fiscal Memory Device\*: -----

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10. Details of consumer back – up service in the case of faults with the fiscalised Electronic Register/Fiscal Memory Device\*:

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11. Other relevant details: -----

We/I ----- declare that-

1. The prototype fiscalised electronic register/fiscal memory device\* is in compliance in all respects with the Value Added Tax (Fiscalised Electronic Registers) Regulations, 2010.

2. We/I have personally reviewed the information given above and that it is true and correct in all material respects.

Dated this ----- day of ----- (Month) ----- (Year) at -----

Signed: -----

\*Delete inapplicable

## **SECOND SCHEDULE (section 3(3))**

### REQUIREMENTS FOR REGISTERED OPERATORS

1. A registered operator shall-

- (a) register individually or in bulk every fiscalised electronic register or fiscal memory device used by the operator before putting such register or device into use, for which purpose-
  - (i) the registered operator shall complete Form FRT1 addressed to the Commissioner-General; and
  - (ii) the Commissioner-General shall within seven days of receiving the completed Form FRT1 after carrying out such inspection as he or she sees fit assign a registration number to each register or device and notify the registered operator of his or her approval in writing.
- (b) upon receiving written notification from the Commissioner-General in terms of paragraph 1(a)(ii), the registered operator shall permanently affix to each register or device the registration number assigned to it in terms of paragraph 1(a)(ii).
- (c) prepare daily, monthly and annual reports, which reports shall set out-
  - (i) the date of the report and period in respect of which it applies;
  - (ii) the name and address of the registered operator;
  - (iii) the VAT identification number and Business Partner Number of the registered operator;
  - (iv) the unique identification number of every fiscalised electronic register, fiscal memory device and electronic signature device used by the registered operator;
  - (v) the total value of sales in respect of the period covered by the report;
  - (vi) the total amount of tax paid in respect of the period covered by the report.
- (d) not allow any other person to use a register or device in respect of which the registered operator has in terms of paragraph (a) obtained from the Commissioner-General a registered number;
- (e) ensure that the register operates correctly with particular regard to correct programming of the names or descriptions of goods and services and the correct allocation of their respective tax rates;
- (f) keep copies of the reports referred to in paragraph (c) of the Second Schedule for a period of six years and avail such reports to the Commissioner whenever required to do so;
- (g) keep a record of the servicing of the register or device and which record to be availed to the Commissioner-General whenever required.

### **THIRD SCHEDULE (section 4(2) and 5(2))**

#### **TECHNICAL REQUIREMENTS OF FISCALISED ELECTRONIC REGISTERS AND FISCAL MEMORY DEVICES**

1. A register or device shall-

(a) have a module with a memory, and in the case of a network system, the memory shall be inbuilt into each register or device being part of that network system;

(b) have a memory built into the register or device complying with the following-

- (i) the memory shall not be accessible to the user or to any person not authorized to access it;
- (ii) the feature must be placed in a socket and permanently encased by a hard, on transparent substance sealed with a leaden seal bearing the stamp of the Commissioner-General which will result in the seal's self destruction in the case of an attempt to break into the memory;

(c) enable-

- (i) the registration in memory of the data for the reports referred to in paragraph 1(c) of the First schedule;
- (ii) the resetting of the register memory at the end of each reporting period of a report referred to in paragraph one of the second schedule;
- (iii) modification of the rates of tax on goods and services;

(d) include a safety device to prevent the erasure of records in its memory;

(e) have capability to record in its memory the following data-

- (i) the date and time of commencing and ceasing the operations in its module;
- (ii) the tax rates assigned to the description of goods and services;
- (iii) the serial numbers and the dates for the resetting of the report every twenty four hours;
- (iv) the numbers and dates of the resetting of the register memory and the information on the initiation of resetting and the method of its performance;

(f) be capable of-

- (i) storing the recorded data in such a manner as to be unintelligible to persons not authorised to access it;
- ii) protecting itself against change or erasure of data;
- (iii) printing out the daily, monthly and annual reports as provided in paragraph 1(c) of the second schedule;
- (iv) printing the sales records for its memory as per standard time units (day, month, year);
- (v) printing data recorded in the memory and by commands given through the keyboard;
- (vi) storing the recorded data in the memory and record that data in the back up master audit facility;
- (vii) recovering data automatically within ten minutes in the event of an interruption in power supply;
- (viii) recording in the memory, the dates of all transactions.

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