

Indigenisation and Economic Empowerment (Foreign Participation
in Reserved Sectors) Regulations, 2025

ARRANGEMENT OF SECTIONS

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Thresholds For reserved Sectors

It is hereby notified that the Minister of Industry and Commerce,
in terms of section 21 of the Indigenisation and Empowerment Act
[Chapter 14:33], hereby makes the following regulations:—

Title

1. These regulations may be cited as the Indigenisation and
Economic Empowerment (Foreign Participation in Reserved Sectors)
Regulations, 2025.

Interpretation

2. In these regulations—

“advertising agencies” means businesses engaged in creating,
planning, and managing advertising campaigns or
promotional materials on behalf of clients, across print,
broadcast, outdoor, or digital media;

“bakeries” means premises or businesses engaged in the
production and sale of bread, cakes, pastries, and other
baked goods for public consumption;

“beneficial owner” means a person who enjoys the benefits
of ownership though the business is registered under
another name;

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“employment agencies” means any business or service that, for a fee or other consideration, recruits, refers, or places persons into employment with third-party employers, whether on a temporary, permanent, or contract basis;

“estate agencies” means the business of marketing, selling, letting, or managing immovable property on behalf of owners, landlords, or prospective buyers or tenants, for a fee or commission;

“foreign national” means a person who is not a Zimbabwean citizen;

“grain milling” means the processing of grain, including maize, wheat, sorghum, millet, or similar cereals, into flour, meal, or other products for human or animal consumption;

“mineral” means mineral as defined in the Mines and Minerals Act [*Chapter 21:05*];

“Minister” means the Minister responsible for the administration of the Indigenous and Economic Empowerment Act;

“participate in a reserved sector of the economy” means —

- (a) to go into partnership with or invest a majority or minority stake in or take over a reserved sector business, or
- (b) to form or start a new business operating exclusively or predominantly in the reserved sector;

“regularisation plan” means a detailed, time-bound written plan outlining the specific actions a foreign-owned business operating in a reserved sector will take to achieve full compliance with these regulations within the stipulated period;

“retail trade” means the sale of goods or merchandise in small quantities directly to the general public for household or personal consumption, whether conducted from fixed premises, market stalls, kiosks, or through mobile means;

“tobacco grading and packaging” means the sorting, classifying, and preparation of tobacco leaves for

market or export, including the packaging and labelling of tobacco products in accordance with applicable regulations;

“transportation: passenger buses, taxis and car hire services” means the provision of vehicles for moving people for a fee or charge, ranging from scheduled mass transit (buses) to on-demand chauffeured rides (taxis), and temporary self-driven rentals (car hire);

“valet services” means the provision of services involving the parking, retrieval, cleaning, or detailing of motor vehicles for patrons at commercial or public premises;

“wholesale trade” means the sale of goods or merchandise in bulk quantities to retailers, industrial, commercial, institutional, or other professional business users, and not primarily to the general public for direct consumption.

Application

3. These regulations apply to all foreign nationals, not being citizens of Zimbabwe who wish to participate in a reserved sector of the economy.

Qualified foreign nationals and Application for participation

4. (1) A foreign national may qualify to participate in a reserved sector of the economy if the applicant—

- (a) is an individual or legal entity registered or incorporated in Zimbabwe of which majority or minority of the stake or shares are owned by the foreigner; and
- (b) meets the thresholds stated in the Schedule; and
- (c) is registered for tax purposes with the Zimbabwe Revenue Authority; and
- (d) maintains a bank account under the Bank Use Promotion Act [*Chapter 24:24*]; and
- (e) presents a sound business plan detailing how the applicant will achieve the objectives stipulated in section 3A (10) (a) to (d), specifically concerning —

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- (i) significant and sustainable employment creation in Zimbabwe;
- (ii) the transfer of skills and technology for the benefit of the people of Zimbabwe;
- (iii) the creation of sustainable value chains; and
- (iv) other prescribed socially and economically desirable objectives, supported by proof of its capacity to meet these objectives, including bank statements, guarantees, or similar documentation from a reputable financial institution.

(2) A foreign national who wishes to participate in a reserved sector of the economy shall apply to the Minister through the Unit for a permit.

(3) The application referred to in subsection (2) shall be accompanied by—

- (a) a copy of the foreign national's investment permit if the foreign national is already operating in the country by virtue of that permit;
- (b) a copy of the foreign national's business plan referred to in section 4(1)(e);
- (c) proof of the foreign national's financial resources referred to in section 4(1); and
- (d) such other relevant support documents as the Unit may reasonably require.

(4) The Minister shall consider an application in terms of subsection (2) within sixty (60) days and may request additional information from the applicant, if necessary.

(5) The Minister may approve and subsequently issue a permit or an exemption certificate or reject an application made in terms of subsection (2) and may attach such conditions to an approval as deemed necessary.

(6) If an applicant fails or refuses to comply with any condition stipulated by the Minister under subsection (5), the application shall be automatically deemed rejected.

(7) The Unit shall keep and maintain records of all individuals or businesses to which a permit is issued under these regulations.

(8) The Minister may revoke a permit if the foreign national fails to meet their obligations under the empowerment plan or is found to have acted fraudulently during the application process.

Beneficial Ownership

5. (1) If any business that is owned by a Zimbabwean citizen and is participating in the reserved sector of the economy changes ownership, and is now owned wholly or partly by a foreign national—

- (a) the change must be notified to the Unit within seven days of the effective date of the change; and
- (b) the business must concurrently or subsequently apply for a permit in accordance with these regulations, within a period stipulated by the Unit.

(2) For the purpose of ascertaining the beneficial ownership of any business in the reserved sector, the Unit has the right to demand, as a condition for the continued operation of the business concerned, that any person registered as the owner must make a sworn declaration to the effect that such person is the sole beneficial owner of the business. If the person is not the sole beneficial owner, the declaration must disclose the name or names and relevant particulars of all beneficial owners concerned.

(3) The Unit may, if it has reasonable grounds for believing that ownership or control of any business has been transferred to a foreign national, require any person recorded as the owner of the business—

- (a) to make a sworn declaration of beneficial ownership, disclosing the name or names and relevant particulars of the beneficial owner or owners; and
- (b) to provide any relevant documentation that will assist the Unit in verifying the ownership of the business.

(4) If any person required to make a declaration pursuant to subsection (2) and (3) (a)—

- (a) makes a sworn declaration to the effect that he or she is not a beneficial owner of the business concerned, the

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Unit shall afford the beneficial owner (or such person acting on behalf of the beneficial owner) a period of one month from the date the declaration is received to take the appropriate steps under these regulations to obtain a permit in the name of the true beneficial owner; or

- (b) Fails or refuses to make the sworn declaration, or makes a false declaration, the person shall be guilty of an offense and liable to a fine not exceeding level eight or to imprisonment of three to five years, or to both such fine and imprisonment.

(5) If the beneficial owner or person concerned fails within the period stipulated in subsection (3) to initiate the steps to obtain the permit, the Unit shall cancel the right of the business to participate in the Reserved Sector of the economy concerned.

Regularisation Period

6. (1) Foreign businesses that have been operating in the reserved sector before the gazetting of these regulations shall be granted thirty (30) days to submit their regularisation plans.

(2) Foreign nationals operating in the reserved sector shall, within a period of three years, divest a minimum of seventy-five per centum (75%) of their equity to Zimbabwean citizens. This divestment shall occur in annual tranches of no less than twenty-five per centum (25%) per annum, such that the foreign national's retained equity does not exceed twenty-five *per centum* (25%) upon the expiration of the three-year period.

(3) Businesses that fail to regularise their operations in terms of subsection (1) and (2) shall be subject to suspension or revocation of their business licenses.

Offences and penalties

7. (1) Any person who operates in the reserved sectors of the economy without a permit or help someone to operate in the sector without a permit shall be guilty of an offense and liable to a fine not exceeding level eight or to imprisonment of three to five years, or to both such fine and imprisonment.

(2) Notwithstanding subsection (1), any person who contravenes any provision of these regulations shall be guilty of an offence and liable to a fine not exceeding level eight or to imprisonment of three to five years, or to both such fine and imprisonment.

(3) Any person who continues the contravention after having been fined shall be additionally barred from participating in the Reserved Sector and prohibited from doing business with any Government entity for a period of five years.

SCHEDULE

THRESHOLDS FOR RESERVED SECTORS

| Sector or sub-sector of the economy | Size of Business | Minimum number of full-time paid employees | Minimum Investment US\$ |
|--|---|--|-------------------------|
| 1. Transportation: passenger buses, Taxis and car hire services. | This sector is exclusively for Zimbabweans except for international brands. | | |
| 2. Retail and wholesale trade. | | 200 | 20 000 000 |
| 3. Barber shops, hair dressing and beauty salons. | This sector is exclusively for Zimbabweans. | | |
| 4. Employment Agencies. | This sector is exclusively for Zimbabweans. | | |
| 5. Estate agencies. | This sector is exclusively for Zimbabweans except for international brands. | | |
| 6. Valet services. | This sector is exclusively for Zimbabweans. | | |
| 7. Grain milling. | | 50 | 25 000 000 |
| 8. Bakeries. | This sector is exclusively for Zimbabweans. | | |
| 9. Tobacco grading and packaging. | This sector is exclusively for Zimbabweans. | | |
| 10. Advertising Agencies. | This sector is exclusively for Zimbabweans. | | |
| 11. Provision of local arts and craft. Marketing and distribution. | This sector is exclusively for Zimbabweans. | | |

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|-------------------------------------|---|-----|------------|
| 12. Artisanal mining. | This sector is exclusively for Zimbabweans. | | |
| 13. Haulage and Logistics Industry. | | 100 | 10 000 000 |
| 14. Borehole drilling | This sector is exclusively for Zimbabweans | | |
| 15. Clearing and customs | This sector is exclusively for Zimbabweans except for international brands. | | |
| 16. Shipping and forwarding | | 20 | 1 000 000 |
| 17. Pharmaceutical retailing | This sector is exclusively for Zimbabweans. | | |