

Zimbabwe

## Zimbabwe Iron and Steel (Debt Assumption) Act, 2018

Act 5 of 2018

Legislation as at 28 May 2018

FRBR URI: /akn/zw/act/2018/5/eng@2018-05-28

There may have been updates since this file was created.

PDF created on 21 May 2024 at 04:07.

*Collection last checked for updates: 31 December 2017.*

[Check for updates](#)



### About this collection

The legislation in this collection has been reproduced as it was originally printed in the Government Gazette, with improved formatting and with minor typographical errors corrected. All amendments have been applied directly to the text and annotated. A scan of the original gazette of each piece of legislation (including amendments) is available for reference.

This is a free download from the Laws.Africa Legislation Commons, a collection of African legislation that is digitised by Laws.Africa and made available for free.

[www.laws.africa](http://www.laws.africa)  
[info@laws.africa](mailto:info@laws.africa)

There is no copyright on the legislative content of this document.  
This PDF copy is licensed under a Creative Commons Attribution 4.0 License (CC BY 4.0). Share widely and freely.

# Zimbabwe Iron and Steel (Debt Assumption) Act, 2018

## Contents

Part I – Preliminary .....	1
1. Short title .....	1
2. Interpretation .....	1
3. Extent of debt .....	1
4. Assumption of obligations by the State .....	2
5. Proof of claims arising from prior debts and notification of validated and reconciled claims .....	2
6. Application of Part III of Cap. 22:21 .....	3
7. Exemption from stamp duty .....	3
8. Repeal of this Act .....	3
Schedule (Sections 2, 3 and 4) .....	3

## Zimbabwe

# Zimbabwe Iron and Steel (Debt Assumption) Act, 2018

## Act 5 of 2018

*Published on 28 May 2018*

**Commenced on 28 May 2018**

*[This is the version of this document from 28 May 2018.]*

**To provide for the settlement of certain liabilities incurred by the Zimbabwe Iron and Steel Company; and to provide for matters connected with or incidental to the foregoing.**

ENACTED by the Parliament and President of Zimbabwe.

### Part I – Preliminary

#### 1. Short title

This Act may be cited as the Zimbabwe Iron and Steel (Debt Assumption) Act, 2018.

#### 2. Interpretation

In this Act—

"**creditor**", in relation to any agreement specified in the Schedule, means a person to whom ZISCO owes any obligation under an agreement or such person's successor in title;

"**Debt Management Office**" means the Debt Management Office referred to in the Public Debt Management Act [Chapter 22:21];

"**Minister**" means the Minister of Finance and Economic Development or any other Minister to whom the President may, from time to time, assign the administration of this Act;

"**prior debt**" means a liability of ZISCO referred to in [section 3](#);

"**reconcile**", in relation to reconciling a claim, means to establish the amount of such claim by comparing and harmonising the amounts reflected in the records of ZISCO and in those of the creditor;

"**settle**", in relation to the settling of debts by the State, includes to liquidate such debts in accordance with [section 4\(3\)](#);

"**validate**", in relation to validating a claim, means to establish the existence of such claim;

"**ZISCO**" means the Zimbabwe Iron and Steel Company.

#### 3. Extent of debt

For the purposes of this Act—

- (a) the debts of ZISCO consist of the liabilities incurred by ZISCO before 1st January, 2017, that are itemised in the Schedule;
- (b) the liabilities itemised in the Schedule shall, if the claims relating to them are validated and reconciled in accordance with [section 5](#), be regarded as prior debts of ZISCO even if ZISCO had no power or capacity to incur the liability.
- (c) a liability arising out of a Government guarantee or undertaking shall be regarded as having been incurred when the guarantee or undertaking was given.

#### 4. Assumption of obligations by the State

- (1) Subject to the validation and reconciliation of the relevant claims under [section 5](#), the Minister shall, on behalf of the State, assume responsibility for the discharge of—
  - (a) the outstanding obligations of ZISCO with respect to its prior debts; and
  - (b) such other obligations as he or she may consider expedient with respect to the prior debts of ZISCO;and may give written authority to any person to sign and execute as his or her representative any undertaking, agreement or document pursuant to any such assumption of responsibility.
- (2) The terms and conditions under which the Minister assumes responsibility in terms of subsection (1) for the discharge of any obligation with respect to the prior debts of ZISCO shall be fixed by the Minister.
- (3) The prior debts may be liquidated through the issuance of Government-backed debt instruments.
- (4) No action or proceeding shall be commenced or continued against ZISCO in respect of a prior debt assumed by the Minister on behalf of the State, or any other obligation or claim in connection therewith or arising therefrom.

#### 5. Proof of claims arising from prior debts and notification of validated and reconciled claims

- (1) No claim arising from a prior debt shall be assumed by the State and settled under [section 4](#) unless it is validated and reconciled in accordance with this section.
- (2) All claims arising from prior debts shall be validated and reconciled by the Debt Management Office, for which purpose the Office may demand from the creditor concerned the following, as may be appropriate—
  - (a) authenticated copies of the relevant loan agreement or contract;
  - (b) any other documentation in support of the creditor's claim, including—
    - (i) shipment schedules showing commodities supplied and quantity and price per shipment;
    - (ii) creditor statements indicating—
      - (A) initial balances, disbursements made, payments effected, and the dates of the foregoing;
      - (B) the principal amount of the claim and the interest thereon.
- (3) Judgment debts relating to prior claims shall not be proved by the submission of the relevant court judgment, decision or order alone, but must be supported by such of the documentation referred to in subsection (2) as the Debt Management Office may demand to enable it to validate and reconcile the claim.
- (4) The Minister shall, at such intervals as he or she deems fit, table before the National Assembly a report of all claims arising from prior debts—
  - (a) that have been validated and reconciled by the Debt Management Office in accordance with this section and assumed by the State in terms of [section 4](#); and
  - (b) that have been settled by the State on the date of the report.
- (5) For the avoidance of doubt it is declared that any claim arising from a prior debt that is not validated and reconciled by the Debt Management Office in accordance with this section shall not be assumed by the State in terms of [section 4](#) and shall continue to be a liability of ZISCO.

**6. Application of Part III of Cap. 22:21**

Part III of the Public Debt Management Act [Chapter 22:21] shall apply, with necessary changes, in respect of any obligation assumed in terms of [section 4](#) as if the obligation were a State loan borrowed in terms of that Act.

**7. Exemption from stamp duty**

No stamp duty or other duty or tax and no fees or other charges shall be payable in respect of anything done under this Act.

**8. Repeal of this Act**

When the Minister is satisfied that all claims arising out of prior debts have been settled in accordance with this Act, the President, acting on the advice of the Minister, shall, by notice in the *Gazette*, repeal this Act.

**Schedule (Sections 2, 3 and 4)****Summary of ZISCO's debt as at 31 December 2016**

Summary	Amount US\$
External loans	211 912 400.00
External suppliers	6 095 620.00
Domestic Loans	57 696 085.00
Domestic suppliers, Utilities and Statutory obligations	219 113 219.00
Total	<u>494 817 324.00</u>

Summary	Amount US\$
Detailed breakdown of debts	
A. External Loans - Breakdown	
KFW (Germany)	163 449 512.00
Sinosure (China)	47 768 297.00
Sumitomo (Japan)	694 591.00
Total	<u>211 912 400.00</u>
B. Debts to External Suppliers-Breakdown	
Engineering and Electrical	179 222.0
Jocastro	1 041 403.00
Macsteel International	385 585.00
Radix Vertiebsgesel	263 247.00
China Shougang International	2 549 307.00
Yingu Kyushu	1 326 647.00
Vumba Intertrade	93 999.00
Polymesh	44 825.00
Other	211 385.00
Total	<u>6 095 620.00</u>
C. Domestic loans	
Government of Zimbabwe	24 231 684.00

CBZ Bank	33 464 401.00
Total	<u>57 696 085.00</u>
D. Debts to domestic suppliers, utilities and statutory obligations	
Mining Commission	231 200.00
Zimra-PAYE	15 279 215.00
NSSA	5 174 747.00
WCIF	2 490 050.00
Standard Development levy	639 853.00
Zimra VAT	2 463 543.00
Municipality of Redcliff (Net)	11 099 138.00
City of Kwekwe	16 470 627.00
ZESA (ZETDC)	3 806 102.00
Minerals Marketing Corporation of Zimbabwe	93 222.00
City of Mutare	64 162.00
National Railways of Zimbabwe	9 996 730.00
Hwange Colliery	5 202 537.00
City of Harare	203 862.00
Net One	60 972.00
ZINWA	38 258.00
City of Bulawayo	34 643.00
City of Masvingo	26 763.00

Rusape Town Council	23 854.00
Gokwe Town Council	10 422.00
Environmental Management Agency	8 170.00
Municipality of Chinhoyi	8 038.00
Ministry of Mines	5 000.00
Municipality of Chitungwiza	3 500.00
Ministry of Industry and Commerce	297.00
Tel One	614 245.00
Payroll liabilities	94 865 957.00
Sable Chemicals	6 110 928.00
Guest and Tanner	263 400.00
Boc Gases	160 988.00
Dermatech Engineering	136 190.00
Africa Steel	128 761.00
Mine Closure Costs	2 475 024.00
Pension	39 145 930.00
Other	1 776 891.00
<u>TOTAL</u>	<u>219 113 219.00</u>