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Delta takes US$74.2 million tax dispute to Zimbabwe's Fiscal Court

The case could set a precedent for how Zimbabwe credits historical tax payments made across currency shifts

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Delta Corporation’s tax dispute with the Zimbabwe Revenue Authority has moved to the Fiscal Court, escalating a case that could shape how Zimbabwe treats historical tax payments made during years of sharp currency changes.

In results for the six months ended September 30, 2026, Delta said disagreements remain over the calculation of value-added tax and income tax assessments tied to the 2019 to 2021 period. The company said the courts had already confirmed the validity of the assessments themselves, but not the way the tax authority calculated the amounts, allocated payments or treated the currency in which those payments were made.

Those issues are now before the Special Court for Income Tax Appeals, widely known as the Fiscal Court. Delta also said a separate High Court application over its 2024 VAT assessments is still pending.

According to Delta's November quarterly statement, the cumulative assessments stood at about US$97 million as of September 30. The company said it had already paid US$22.8 million under Zimbabwe's "pay now, argue later" system, leaving about US$74.2 million still under appeal.

At the center of the dispute is Delta's argument that local-currency payments it made when the original tax liabilities arose were lawful payments and should be fully recognized when calculating any remaining balance. The disagreement, as described by the company, is not only about how much tax is due. It is also about the legal method used to rebuild tax liabilities across different monetary periods, including how payments made in one currency should be credited against assessments expressed in another.

The case reflects the strain created by Zimbabwe's repeated shifts in currency policy, which have forced companies, regulators and courts to deal with taxes that were incurred in one monetary system and reassessed in another. For businesses that operated through inflation, exchange-rate swings and changes in legal tender rules, the treatment of past payments can have a large effect on current liabilities.

Zimbabwean law generally allows the revenue authority to keep collecting assessed tax while a taxpayer challenges the claim. The Value Added Tax Act states that an appeal does not automatically suspend the obligation to pay, and similar wording appears in the Fiscal Appeal Court Act. That framework supports the "pay now, argue later" principle, under which the taxpayer must pay first unless the relevant authority decides otherwise.

Delta said it has continued making payments under that system while contesting the assessments, and that it has entered into payment arrangements with ZIMRA. The company also said it has proposed using its U.S. dollar-denominated Treasury Bills toward any part of the disputed liability that is ultimately confirmed as payable. Any such offset would still require approval from the relevant government authorities.

Chairman Todd Moyo said in the financial results that the group paid more than US$193 million in taxes in Zimbabwe during the six months to September 30, up 31% from the same period a year earlier. Delta has pointed to that broader tax contribution as evidence that the dispute concerns the treatment of historical assessments rather than a refusal to meet tax obligations.

The legal distinction now facing the Fiscal Court is significant for both sides. An assessment can be valid in law while the amount still remains open to challenge if the taxpayer disputes the calculation, the allocation of prior payments or the currency basis used by the tax authority. The court’s ruling could therefore determine not just whether Delta owes money, but how much remains payable after earlier payments are properly credited.

That matters beyond the courtroom. Delta is one of Zimbabwe’s biggest drinks producers, and a tax case of this size can affect liquidity, borrowing capacity and investment decisions. For brewers and other beverage companies, the dispute highlights the tax and foreign-exchange risks that can build up when sales, duties and operating costs move across unstable currency regimes. If large historical claims remain uncertain for long periods, companies may become more cautious about expansion, capital spending and working capital management.

The case also has broader implications for manufacturers and other large taxpayers in Zimbabwe. Businesses need to be able to measure tax liabilities with rules that are clear and applied consistently, especially when authorities revisit payments made years earlier under different currency rules. Uncertainty in that process can complicate financial reporting, long-term planning and pricing decisions.

For ZIMRA, the case may test how transparently and consistently historical liabilities can be recalculated where the original payments were made in local currency but the later assessments are framed in foreign-currency terms. For Delta, the immediate goal is narrower: to persuade the court that its earlier payments were legally effective and must be credited in a way that reduces the outstanding claim.

The proceedings were still unresolved as of Saturday, November 14, and neither the final liability nor the timetable for a ruling has been made public. Until the court decides, the dispute is likely to remain a closely watched issue in Zimbabwe’s corporate sector, especially for beverage producers exposed to the same mix of tax, currency and cash-flow pressures.