

COMPANY REGISTRATION INFORMATION BOOK



TYPES OF COMPANIES

There are 3 types of companies that you can register in Zimbabwe

1. Private Limited Company
2. Private business corporation
3. Cooperative

The best options for registration are 1 & 2

In this informative booklet we will focus on the private limited company and the private business corporation.

Private Limited Company

A private limited company is the most common company structure for entrepreneurs in Zimbabwe. It is preferred the most because it offers limited liability to the shareholders. This means that if a company incurs any debt, the shareholders are not liable to pay off the debts using their personal assets unless there has been some form of fraud or improper conduct.

The company's rules and regulations are well-documented in the articles of association and therefore most companies and institutions find it easy doing business with a private limited company.

Private Business Corporation

A Private Business Company (PBC) has limited liability the same as a Private Limited Company. It can sue and be sued and is accepted by most institutions and organisations however it is not as popular as a Private Limited Company.

A PBC is liable for tax including income tax and value added tax (VAT) if it meets the minimum VAT threshold and can participate in government and private tenders just like a Private Limited Company.



DIFFERENCES BETWEEN A PRIVATE LIMITED COMPANY & A PBC

When registering a business in Zimbabwe the first step is to figure out what type of business you would want to incorporate under. You have to decide between a **Private Limited Company (Pvt Ltd)** or a **Private Business Corporation**. It is important to understand the differences between a PBC (Private Business Corporation) and a Private Limited Company (Pvt Ltd) and the table below provides some information in this regard.

Private Business Corporation	Private Limited Company
Mainly meant for small to medium businesses	Mainly meant for medium to large businesses
Can accommodate sole traders	Only accommodates 2 or more people
Has a legal persona of its own apart from its owners	Has a legal persona of its own apart from its owners
Has perpetual succession	Has perpetual succession
Can have a maximum of 20 directors	Can have a maximum of 50 directors
Members are the same as shareholders or owners	Shareholders are owners and can be different from the directors
Companies cannot be shareholders or hold a member's interest in a PBC, only individuals can be members	Both companies and individuals can be shareholders in a PLC
Comprised of members	Comprised of directors and shareholders

Has an incorporation statement and bylaws	Has a certificate, memorandum, articles, CR6 and CR14
Articles of association are not required	Registered articles of association
Does not require annual return to be lodged	Annual returns are compulsory
Has member's contributions	Has share capital
Has an accounting officer	Has an auditor
Annual general meeting not required	Annual general meeting is required
Members hold member's interest	Shareholders hold shares
Can purchase a member's interest	Can acquire its own shares under certain circumstances
Members are responsible for the day-to-day management of the PBC	Directors are responsible for the day-to-day management of the company
No register of members is required	Register of members is required
Offers limited liability to its owners	Offers limited liability to its owners
No financial statements needed	Audited financial statements
No prohibition on a PBC to provide financial assistance for the acquisition of a member's interest	Prohibition on a company to provide financial assistance for the acquisition of its own shares

Requirements for Company Registration

- 1. Proposed 3-5 company names**
- 2. Director's full names, ID numbers and residential addresses.**
- 3. Shareholding structure.**
- 4. Company physical and email address.**

It takes 4-5 working days to register your company with us.