Virtual Assets, Tokenised Securities, and Crypto-Asset Service Providers Examining Zimbabwe's Emerging Regulatory Framework

Zimbabwe has recently developed a comprehensive regulatory framework for virtual assets, digital assets, tokenised securities, crypto-asset service providers and blockchain-based financial infrastructure through legislative reforms introduced between 2025 and 2026.

These reforms mark a significant shift from regulatory uncertainty towards formal recognition and supervision of digital assets within Zimbabwe's financial services sector. The framework is built on three key pillars: anti-money laundering regulation, securities and capital markets regulation, and the specialised regulatory environment established under the Victoria Falls International Financial Services Centre (VFIFSC).

The Finance Act, 2025 introduced statutory recognition of virtual assets and virtual asset service providers, bringing activities such as virtual asset exchanges, custodial services, token issuance and other virtual asset transfers within Zimbabwe's regulated financial framework. This was further developed through the Virtual Asset Service Providers Registration Regulations, 2026, which establish registration requirements, compliance obligations, customer due diligence standards and anti-money laundering controls. The VFIFSC framework expands this regulatory landscape by recognising digital asset custody, trading facilities, cryptocurrencies, stablecoins, security tokens, smart contracts and distributed ledger technology. It also creates a pathway for tokenised securities and digital assets to participate in regulated capital markets through dedicated listing and trading mechanisms.

Collectively, these reforms position Zimbabwe among the more progressive African jurisdictions in digital asset regulation. The emerging framework seeks to balance innovation and investment opportunities with regulatory oversight, providing a structured legal environment for virtual asset businesses, investors and financial institutions.

Introduction

Zimbabwe has, through a series of legislative and regulatory reforms enacted between 2025 and 2026, a comprehensive legal framework governing virtual assets, digital assets, tokenised securities, crypto-asset service providers and blockchain-based financial infrastructure. The framework is built upon three principal pillars (1) anti-money laundering regulation, (2) securities and capital markets regulation and (3) the specialized regulatory architecture of the Victoria Falls International Financial Services Centre (VFIFSC).

The **Finance Act, 2025** introduced formal recognition of virtual assets and virtual asset service providers (VASPs) into Zimbabwean law by amending both the **Money Laundering and Proceeds of Crime Act [Chapter 9:24]** and the **Securities and Exchange Act [Chapter 24:25]**. These amendments established mandatory registration and licensing requirements for virtual asset businesses while simultaneously subjecting them to anti-money laundering and counter-terrorist financing obligations. The legislative framework recognizes activities such as virtual asset exchanges, custodial services, token issuances and other virtual asset-related activities as regulated financial services.

The regulatory framework was subsequently expanded through the **Money Laundering and Proceeds of Crime (Virtual Asset Service Providers Registration) Regulations, 2026 (SI 99 of 2026)**, which operationalize the VASP regime by prescribing detailed requirements relating to registration, governance, customer due

diligence, Travel Rule compliance, digital wallet verification, suspicious transaction reporting and regulatory supervision.

Within the VFIFSC, a more ambitious framework has emerged. The **General Regulations, 2026 (SI 68 of 2026)** formally recognize digital asset custody and digital asset trading facilities as regulated financial activities, while the **Financial Technology Regulations, 2026 (SI 65 of 2026)** expressly recognize cryptocurrencies, stablecoins, utility tokens and security tokens and provide legal recognition of smart contracts and distributed ledger technology. The **Securities, Capital Markets and Collective Investment Funds Regulations, 2026 (SI 63 of 2026)** further integrate digital assets into the capital markets framework by recognizing tokenised securities, digital asset funds, investment-token exchanges and digital asset custodians. These reforms are complemented by the **Victoria Falls Stock Exchange Membership, Listing and Trading Rules, 2026 (SI 62 of 2026)**, which establish a dedicated listing regime for Digital Asset Issuers and Tokenised Securities.

Taken together, these measures position Zimbabwe as one of the few African jurisdictions that has adopted a comprehensive regulatory framework spanning the full lifecycle of digital assets, from issuance and trading to custody, listing, investment management and dispute resolution.

Zimbabwe's Legal Framework for Virtual and Digital Assets Recognition of Virtual Assets and Virtual Asset Activities

The starting point of Zimbabwe's digital asset framework is the **Finance Act, 2025**, which introduced statutory definitions of "virtual asset" and "virtual asset service provider". The Act recognizes virtual assets as digital representations of value capable of being traded, transferred and used for payment or investment purposes. In addition, it expands the definition of a financial institution under the Money Laundering and Proceeds of Crime Act [Chapter 9:24] to include persons engaged in virtual asset-related activities, including exchanges between virtual assets and fiat currencies, exchanges between different virtual assets, transfers of virtual assets, custodial services and participation in token issuance activities.

These amendments are significant because they move virtual assets from a legally uncertain position into the mainstream regulatory framework governing financial services. Virtual asset activities are therefore no longer unregulated technological activities but are recognized as regulated financial services subject to statutory oversight.

Regulation of Virtual Asset Service Providers

The Finance Act inserts section 3A into the Money Laundering and Proceeds of Crime Act, creating a mandatory registration framework for Virtual Asset Service Providers. Any person carrying on a virtual asset business in or from Zimbabwe must register with the Financial Intelligence Unit (FIU) and comply with any additional licensing requirements imposed under other legislation.

The operational requirements applicable to VASPs are elaborated in the Money Laundering and Proceeds of Crime (Virtual Asset Service Providers Registration) Regulations, 2026 (SI 99 of 2026). These Regulations require VASPs to maintain comprehensive anti-money laundering programmes, appoint compliance officers, establish cybersecurity frameworks, maintain beneficial ownership information and implement customer due diligence procedures.

The Regulations further extend regulation beyond traditional cryptocurrency exchanges by bringing within their scope certain operators of decentralized finance (DeFi) protocols, smart contracts and distributed ledger systems where the operator exercises sufficient control over the operation of the relevant platform.

Anti-Money Laundering and Travel Rule Compliance

A major component of Zimbabwe's framework is its alignment with international standards developed by the Financial Action Task Force (FATF). The VASP Regulations require virtual asset service providers to identify and verify customers, maintain transaction records, undertake risk assessments and report suspicious transactions.

Importantly, the Regulations introduce the FATF Travel Rule, requiring VASPs involved in virtual asset transfers to collect, verify and transmit information concerning both originators and beneficiaries of transactions. Enhanced due diligence and verification obligations also apply to certain transactions involving unhosted or self-hosted wallets, reflecting global efforts to address anonymity risks associated with virtual asset transfers.

Securities Regulation of Virtual Assets and Tokens

The Finance Act, 2025 also inserts a new Part VA into the Securities and Exchange Act [Chapter 24:25], thereby establishing a separate licensing framework for virtual asset businesses under the supervision of the Securities and Exchange Commission of Zimbabwe. The legislation recognizes various forms of digital assets, including virtual currency tokens, asset tokens, non-fungible tokens (NFTs) and other forms of virtual tokens.

Activities such as operating virtual token exchanges, issuing tokens, facilitating virtual asset payment services and conducting token offerings are subject to securities regulation and licensing requirements. The result is a dual-regulatory model in which many virtual asset businesses must comply both with the Financial Intelligence Unit's registration requirements and the Securities and Exchange Commission's licensing framework.

The Victoria Falls International Financial Services Centre Framework

The most sophisticated part of Zimbabwe's digital asset regulation is found within the Victoria Falls International Financial Services Centre (Centre).

The Banking (Victoria Falls International Financial Services Centre) (General) Regulations, 2026 (SI 68 of 2026) establish the foundational framework for digital asset activities within the Centre. The Regulations expressly include "safeguarding and administering digital assets belonging to another person" within the regulated activity of providing custody. They also establish a regulated category known as a Digital Asset Trading Facility (DATF), defined as a facility enabling the exchange of digital assets for fiat currency, commodities or other digital assets. Paragraph 29 of the First Schedule specifically recognizes the operation of digital asset trading facilities as a regulated activity requiring licensing.

The General Regulations further recognize digital asset businesses as regulated market participants and permit cross-border participation in digital asset trading facilities by appropriately authorized foreign participants.

Financial Technology and Smart Contracts

The Banking (Victoria Falls International Financial Services Centre) (Financial Technology) Regulations, 2026 (SI 65 of 2026) provide one of the clearest statutory recognitions of digital assets within Zimbabwean law.

The Regulations expressly recognize cryptocurrencies, stablecoins, utility tokens and security tokens as eligible technologies within the Centre's regulatory sandbox. They further provide that security tokens representing ownership rights, debt instruments or investment interests are to be treated as securities under the Centre's legal framework.

Perhaps most significantly, the Regulations provide legal recognition to smart contracts and distributed ledger technology. Smart contracts deployed in accordance with the Regulations are recognized as legally enforceable arrangements. The Regulations also permit the operation of digital asset trading facilities, custody services and wallet infrastructure within a supervised fintech environment.

Tokenised Securities and Digital Capital Markets

Digital assets are not confined to the fintech sphere. The Banking (Victoria Falls International Financial Services Centre) (Securities, Capital Markets and Collective Investment Funds) Regulations, 2026 (SI 63 of 2026) integrate digital assets directly into the capital markets framework.

The Regulations define securities broadly enough to include instruments existing in physical, dematerialized, digital and tokenised form. Security tokens, tokenised ownership interests and crypto-assets possessing the characteristics of securities are therefore capable of being regulated as securities.

The Regulations also establish a legal framework for investment token exchanges, investment token clearing houses, digital wallet custody, distributed ledger technology infrastructure, blockchain governance mechanisms, digital asset funds and investment token funds. The legislation requires operators of tokenised markets to maintain appropriate DLT governance arrangements, cybersecurity controls and procedures for dealing with protocol upgrades, smart contracts and blockchain forks.

Listing of Tokenised Securities

The Banking (Victoria Falls International Financial Services Centre) (Victoria Falls Stock Exchange Membership, Listing and Trading) Rules, 2026 (SI 62 of 2026) complete the capital markets framework by establishing a dedicated regime for Digital Asset Issuers (Tokenised Securities).

Part XIV of the Rules creates a separate category of issuer and establishes specific rules governing interpretation of digital asset securities, listing requirements, admission criteria and ongoing disclosure obligations.

This represents a significant development because it permits blockchain-based securities and tokenised financial instruments to access regulated capital markets through listing on the Victoria Falls Stock Exchange.

Stablecoins, Token Issuances and Digital Asset Infrastructure

Further evidence of Zimbabwe's commitment to digital asset regulation is found in the Banking (Victoria Falls International Financial Services Centre) (Fees and Levies) Regulations, 2026 (SI 61 of 2026).

Although largely administrative in nature, these Regulations reveal the regulatory infrastructure contemplated by the Centre. The fee schedule provides for licenses and regulatory approvals relating to crypto exchanges, custody and wallet providers, token issuances, token classification processes, whitepaper approvals, stablecoin approvals and blockchain analytics supervision.

The existence of these categories confirms the intention to regulate the issuance, exchange and supervision of digital assets within a structured regulatory environment.

Conclusion

Zimbabwe's digital asset framework represents a transition from regulatory uncertainty to comprehensive sectoral regulation. The Finance Act, 2025, the Virtual Asset Service Providers Regulations, 2026, and the broader VFIFSC legislative framework collectively regulate virtual asset businesses, crypto exchanges, token issuers, custodians, stablecoin operators, digital asset investment funds and tokenised securities markets. By combining anti-money laundering oversight, securities regulation, fintech innovation and capital market infrastructure, Zimbabwe has established a legal ecosystem capable of supporting both virtual asset innovation and regulatory supervision. This framework places Zimbabwe among the more progressive African jurisdictions in terms of the breadth and sophistication of its digital asset legislation.

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