



EXCHANGE CONTROL DIRECTIVE RZ56/2024

APRIL 2024

- Reference is made to the Exchange Control Directive RZ56/2024 issued by the Reserve Bank of Zimbabwe on the 8th of April 2024. To operationalize the foreign exchange policies contained in the directive, please be guided by the content below.

Policy Measure	Major Highlights	Detailed Meaning
Discontinuation of the Foreign Exchange Auction System	2.1 The foreign Exchange Auction System that was last held on the 12 th of December 2023 has been officially discontinued effective 08 April 2024	<ul style="list-style-type: none"> The RBZ Auction system has officially been closed with effect from 08 April 2024. Customers will no longer be submitting bids for foreign currency to RBZ to meet their offshore obligations.
Treatment of Outstanding Allotments	<p>3.1 All auction allotments arrears that accumulated from non-funding by the auction will be refunded to recipients at the current interbank exchange rate. The refund will entail conversion of all outstanding auction allotments into a 2-year ZiG denominated investment instrument at an interest rate of 7.5% per annum.</p> <p>3.2 For Exchange Control purposes, the conversion of the foreign exchange auction allotment arrears to ZiG denominated investment instrument expunges the foreign exchange obligation and liability from the Reserve Bank.</p>	<ul style="list-style-type: none"> All customers who were allocated foreign currency on the auction but had not yet received funding by the 8th of April 2024 will receive a refund of their foreign currency allotment in ZiG at the current inter-bank exchange rate. The refund will be in the form of a 2-year ZiG denominated investment interest which will accumulate interest at a rate of 7.5% per annum. Reserve Bank will communicate with Authorised Dealers on the respective implementation framework of the instrument once ready for adoption.
Treatment of Outstanding Payments Surrender Requirements	4.1 All outstanding payments of foreign exchange purchased by Treasury under the 25% surrender requirement will be converted using the prevailing US\$/ZiG exchange rate into ZiG denominated investment instrument with a tenor of one	<ul style="list-style-type: none"> All 25% export surrender requirements that were debited from the customer's accounts before inception of the ZiG, but still to be settled the local currency equivalence will now be settled through a ZiG denominated investment

	year at an interest rate of 7.5% per annum.	<p>instrument with a tenor of 1 year.</p> <ul style="list-style-type: none"> ● Banks will communicate with customers once the implementation framework has been availed by the Reserve Bank.
Adoption of a Market-Determined Exchange Rate System	<p>5.1 Following the discontinuation of the Foreign Exchange Auction System, the Reserve Bank has adopted a market determined exchange rate system under the Willing-Buyer-Willing-Seller (WBWS) trading arrangement.</p> <p>5.2 Under the Willing-Buyer-Willing Seller trading arrangement Authorised Dealers and Bureaux de Change shall purchase foreign currency from willing sellers at a market determined exchange rate for onward sale to willing buyers (importers).</p>	<ul style="list-style-type: none"> ● Customers can now source their foreign currency requirements from the Willing-Buyer-Willing-Seller market through Authorised Dealer or Bureaux de Change. ● Customers willing to sell foreign currency will approach banks to offload their foreign currency, and customers in need of foreign currency will approach the same market to source at a market determined exchange rate. ● Foreign currency obtained from the Willing-Buyer-Willing-Seller market should ONLY be used to settle bona-fide foreign obligations and NOT for settling local obligations. ● Banks will maintain a pipeline of payments in need of funding. Customers on the Willing-Buyer-Willing-Seller pipeline will be served on the first come first served basis without matchmaking buyers and sellers of foreign currency.
Standardised Foreign Currency Retention Thresholds	6.1 Foreign Currency Retention Thresholds remain standardised at 75% across all sectors except for small-scale Gold Producers who shall continue to retain 100% of their gold sale proceeds	<ul style="list-style-type: none"> ● All export receipts across all sectors (except small-scale gold producers) are subject to a mandatory surrender requirement of 25% at the prevailing Interbank exchange rate of the day. 75% of the receipts will be retained in the exporter's FCA Export Account. ● Small Scale gold producers shall retain 100% of their export receipts. ● Companies with existing exemptions on surrender requirements are allowed to



		run them until their authority expires and thereafter, they will not be any renewal of the authorities.
Facilitation of Trading on the Zimbabwe Stock Exchange and Victoria Falls Stock Exchange by Non-Residents	<p>7.1 Authorised Dealers are required to facilitate opening of Non-Resident Transitory Accounts denominated in ZiG to facilitate trading of shares on the Zimbabwe Stock Exchange by non-resident investors.</p> <p>7.2 Authorised Dealers are also required to facilitate opening of Non-Resident Transitory Accounts denominated in foreign currency to facilitate trading of shares on the Victoria Falls Stock Exchange by non-resident investors.</p>	<ul style="list-style-type: none"> ● Non-Residents are allowed to participate on both the Zimbabwe Stock Exchange and Victoria Falls Stock Exchange ● Non-Residents intending to participate on the ZSE or VFSE must open Transitory Accounts with their bankers.
Threshold for the Export of Domestic Currency	8.1 Authorised Dealers are advised that the threshold for the export of domestic currency (ZiG)-remains at the equivalent of USD1,000.00. The relevant Statutory Instrument shall be promulgated in due course.	<ul style="list-style-type: none"> ● The maximum amount that can be exported outside Zimbabwe in a baggage should not exceed the equivalent of USD1,000.00
Exchange Control Compliance Monitoring	9.1 Market players are directed to ensure that the compliance parameters contained in the Exchange Control Directive are fully implemented.	<ul style="list-style-type: none"> ● Reserve Bank Exchange Control shall penalise any market players found in violation of the Exchange Control rules and regulations in terms of the Exchange Control Act, Exchange Control regulations, and the relevant Statutory Instruments

For any information/clarification you may require regarding the policy measures or any other exchange control issues, kindly get in touch with our Banking and Exchange Control Team on cibd@idbz.co.zw