



**EXCHANGE CONTROL GUIDELINES  
FOR  
AUTHORISED DEALERS WITH LIMITED  
AUTHORITY.**

**28 February 2015**

ISSUED IN TERMS OF SECTION 35 (1) OF THE EXCHANGE CONTROL REGULATIONS STATUTORY INSTRUMENT  
109 OF 1996

## **1. INTRODUCTION**

- 1.1 The guidelines on Authorised Dealers with Limited Authority (ADLA) are meant to assist both prospective applicants and operating ADLA with the basic information on regulatory framework and the requirements on licensing and operations of international money transfer services in Zimbabwe.
- 1.2 The objective is to provide broad guidelines with minimum standards that should nurture a competitive and secure international money transfer framework, with high consumer protection, fraud resistant and compliant to anti-money laundering and combating of terrorist financing (AML/CFT) principles.

## **2. REGULATORY AND COMPLIANCE FRAMEWORK PARAMETERS**

- 2.1 An Authorised Dealer with Limited Authority (ADLA) shall be a financial services provider not necessarily licensed under the Banking Act [Chapter 24:20] but authorized by the central bank in terms of the Exchange Control Act to buy and sell foreign currency and carry out small value person to person cross border remittances through money transfer systems.
- 2.2 These transfers shall include cash-to-cash money transfers, international wire transfers, international mobile transfers and international Automated Clearing House (ACH) transactions, and mobile companion prepaid card transfers.

- 2.3 ADLA shall not open international correspondent bank account (Nostro) and shall not conduct international trade/business/investment transactions.
- 2.4 All international business agreements signed by an ADLA shall at all times be in compliance with both Zimbabwean and the country of the international business partner. The international partner shall be a registered entity, licensed in its home country to carry on money transfer activities and with a track record of operations.
- 2.5 ADLA shall not enter into exclusive agreements with both local and international partners without prior written authority from Exchange Control. Request for an exceptional exclusive agreement shall not be inferred or implied but shall form a specific application to Exchange Control clearly giving reasons thereof.
- 2.6 ADLA shall maintain a dedicated prefunded account and all send transactions shall be electronically linked to the pre-funded account. In other words, send transaction shall not be possible when the prefunded account has insufficient funds. **The pre-funded account shall at all times, at least hold a minimum of a day's cover of the average daily send transactions.**
- 2.7 ADLA shall be directly or vicariously liable for international send remittance delivery failure.

- 2.8 ADLA shall conduct all buying and selling of currency and international money transfers through an electronic platform or **money transfer and reporting system** which at the minimum meet the criteria detailed in **APPENDIX 1**.
- 2.9 ADLA shall pay licensing and registration fees as determined by the Reserve Bank of Zimbabwe from time to time.
- 2.10 ADLA shall have minimum share capital and collateral security deposited with the Reserve bank of Zimbabwe (RBZ) as determined by the RBZ from time to time. Except with the authority of the Exchange Control, an ADLA shall not transfer, cede, hypothecate or encumber any part of the collateral security deposited with RBZ. **The collateral security shall be refunded by the Reserve bank when an ADLA deregisters and after a declaration of external auditors that the ADLA does not owe its customers or business partners (both local and international).**
- 2.11 ADLA shall have an anti-money laundering and combating financing of terrorism (AML/CFT) programme, certified or endorsed by the Reserve Bank's Bank Use Promotion and Suppression of Money Laundering Unit.
- 2.12 ADLA shall provide audited financial statements to the Reserve Bank of Zimbabwe within **90 business days** after the ADLA's financial year. The statements shall include internal audit reports and a comparison of the planned business performance and actual results.

2.13 Exchange Control shall prescribe, from time to time, a daily, monthly and yearly outward international remittance limit per individual sender.

2.14 Exchange Control shall carry out a probity test for the ADLA's human, financial and capital resources. In lieu of this, natural or legal persons deemed proper and fit by Exchange Control shall be shareholders in an ADLA, directly or indirectly.

2.15 Every officer of an ADLA shall be trained by Exchange Control and certified to be fit to work as an employee of the respective ADLA. The training costs shall be covered by the licensing fees paid by the ADLA.

### **3. TYPES OF AUTHORISED DEALERS WITH LIMITED AUTHORITY**

**3.1 Tier One (1):** Shall be locally incorporated money transfer operators (MTOs) partnering with approved international money transfer organizations (MTOs) or use own systems and permitted to carry out **both inward and outward international remittances**. They shall also buy and sell foreign exchange on a spot basis.

**3.2 Tier Two (2):** Shall be locally incorporated money transfer operators (MTOs) operating **as** money transfer agencies (MTAs) by either partnering with approved international money transfer operators or use own system to carry out **inward international remittances only**, as well as buy and sell foreign exchange on a spot basis.

**3.3 Tier three (3): Bureau de Change** – locally incorporated financial services provider which **only** buy and sell foreign currency on a spot basis.

#### **4. LICENSING AND REGISTRATION OF ADLA**

4.1 All ADLAs must be licensed and their products shall be registered to ensure that the product meets the minimum Exchange Control requirements before the product is served to customers.

4.2 All applications for licensing and registration shall be made to the Director of Exchange Control Division, who shall make recommendations to the Governor of the Reserve Bank for approval. The application should at least involve the following;

- a) Details of the applicant's company name, physical business address, certificate of incorporation, memorandum and articles of association, official register of directors/shareholders of the company (CR 14).
- b) Declaration by the applicant's board of directors authorising the company to be an ADLA.
- c) The applicant should indicate the equity structure including the primary natural person beneficiaries/owners. The natural persons shall declare that they own/possess the shareholding in their personal capacity and that there is no other silent and/or

controlling undeclared beneficiary. **See declaration form appended in the application form in APPENDIX 2.**

- d) The applicant shall indicate the envisage business model. This includes the business process, and the method of sending and delivery of money i.e. mobile, internet, card, wire, others and a risk assessment of their business on the following factors-product and services, customers, beneficiaries, partners or agents or correspondences.
- e) Statement of anticipated currency purchases and sales, and/or international remittances both inward and outward.
- f) Business agreements with both local and international partners in cases where the access points or supporting technological infrastructure is provided by other organization(s). The agreements should indicate the duties and obligation of the partners, risk liabilities, fees or commissions and dispute resolution mechanisms.
- g) Declaration by the applicant's board of directors that the ADLA would employ an electronic money transfer system and that such a system shall at the expense of the ADLA be configured to interface with RBZ's electronic system for real-time compliance monitoring and reporting.
- h) An anti-money laundering certificate or endorsement by the Reserve Bank of Zimbabwe's Bank Use Promotion and Suppression of Money Laundering Unit that the applicant has a

sufficient and effective anti-money laundering and combating of terrorist financing framework.

- i) Application for license or registration shall be made through an RBZ application form given in **APPENDIX 2**.
- j) Proof of capacity to carry out the business of ADLA through submission of bank statements and declaration by the company's auditors that the company has sufficient and unfettered funds/capital to meet the electronic money transfer and reporting system, share capital, collateral security and licensing fees requirements.
- k) ADLA shall notify Exchange Control of any material changes including but not limited to the company, shareholding, compliance officers, premises, bankers and accounts, and senior management structures.
- l) Exchange Control reserves the right, with the approval of the Minister of Finance, to refuse to register/license an applicant where it deems fit without required to give reasons to the applicant.

## **5. COLLATERAL DEPOSIT AND LICENSING/REGISTRATION FEES**

5.1 The applicant for registration as an Authorised Dealer with Limited Authority must meet the following requirements;



- a) **Tier 1** shall pay collateral deposit of One Hundred United States Dollars (**USD100, 000**). For MTOs partnering with international MTOs (Franchise Services) proof of prefunding arrangements shall be submitted to Exchange Control for all Outward international remittances and MTOs using own systems (Unilateral Systems).
- b) **Tier 2** shall ordinarily not pay collateral deposit. However, if the ADLA in **Tier 2** use its own system or solely collects from customers for inward transfers as well as payout to beneficiaries, the ADLA shall pay a collateral deposit of Fifty Thousand United States Dollars (**USD50,000**), which shall be deposited with the Reserve Bank of Zimbabwe.
- c) **Tier 3** shall not pay collateral deposit.
- d) **Licensing** fees shall, shall for all tiers, be **USD1,000** for head office and **USD400** per branch and annual license renewal fees shall be **USD800** for head office and **USD200** per branch.
- e) Rural branch licencing fees shall be **USD100** and annual renewal fess shall be **USD50**

5.2 Exchange Control shall review all collateral deposits from time to time depending on the volumes of transaction or risk levels.

## **6. ADLA OPERATIONAL FRAMEWORK /MODALITIES**

### **6.1 Permissible Purposes of transaction**

6.1.1 An ADLA in tier one or tier two may receive or send money on behalf of natural persons for one of the following transactions;

- i. Gift
- ii. Medical fees
- iii. School fees
- iv. Pension funds
- v. Alimony and maintenance
- vi. Donations
- vii. Emergencies
- vii. Any other non-business and/or non-corporate small value transactions.

### **6.2 Disclosure to Customer**

6.2.1 The ADLA must fully disclose to the prospective sender of the attended transaction fees, real time exchange rate and expected time within which the beneficiary receive the money.

6.2.2 The ADLA must issue the sender with documentation or receipt detailing the pricing, exchange rate and expected delivery time and at the bottom of the receipt, add ***“Important Notice – You have the right to dispute errors in your transaction. You can register cancellation for a full refund within thirty (30) minutes of payment if the money has not been paid out or deposited. If***

*you think there is an error contact us within ninety (90) days. For complaints about (your company name), you may contact The Reserve Bank of Zimbabwe's Exchange Control Division, Tel: +263 4 703 000”.*

6.2.3 The documentation shall be electronic where the sender accessed the service through an internet or mobile application.

### **6.3 Float, Transaction Limits, Aborted Transactions and Refunds**

6.3.1 All ADLA in Tier 3 shall not keep a daily float of more than **USD50 000** per branch. The ADLA must observe and enforce the daily, monthly and yearly limit for the sender of **USD500, USD5000** and **USD20,000** respectively.

6.3.2 The ADLA must be able to refund the sender, without prejudice to the sender, within 30 minutes of receiving a claim, where the send transfer has failed to deliver within the stated period on the receipt. If there is error of account information or sender cancel the transaction within **30 minutes**, but before delivery, the ADLA shall refund the sender but without reimbursing the fees and/or the cost of funds that cannot be recovered. In the case of internet or mobile transfers, the sender must be able to cancel the send transfer before delivery.

6.3.3 Furthermore, the ADLA must put in place risk management structures that minimise loss of funds through theft or any other cause.

6.3.4 An ADLA shall not purchase or sell more than **USD5,000 per customer per day**.

6.3.5 ADLA may charge money transfer fees to the sender and no fees shall be charged to the beneficiary in the initial transaction.

#### **6.4 Required Information and Documentation from Customers**

6.4.1 Every ADLA shall record the following customer identity particulars;

- a) Zimbabwean residents to present Zimbabwean national identity documents.
- b) Foreign nationals, temporarily resident in Zimbabwe to present valid foreign passport with valid permit.
- c) All senders through the internet or mobile must first register with the ADLA. The ADLA must employ systems to validate the mobile number or credit card before accepting the transfer.
- d) Physical Address of the customer (purchaser, sender or receiver) and nationality.
- e) Source of funds.
- f) Purpose of transaction.

## **6.5 Minimum Equipment Requirements**

6.5.1 Every ADLA shall conduct business in premises that complies with the following requirements in addition to any other requirements that may be specified in directions issued by the Exchange Control.

6.5.2 The premises shall be reasonably secure that is –

- a) The premises shall not be mobile; and
- b) The premises shall be easily visible to the general public; and
- c) The premises shall be readily accessible by members of the public;  
and
- d) The tellers shall work behind a counter that affords reasonable protection to the tellers.

6.5.3 For the purposes of proper and efficient conduct of its operations, a ADLA shall comply with the following minimum equipment and stationery requirements:

- a) A sign clearly visible to the public bearing the name of the ADLA
- b) Counterfeit notes detecting machines or pens.
- c) A money deposit safe.

- d) Adequate computer system and communications equipment (money transfer and reporting system) to facilitate the efficient processing of transactions and seamless integration with Exchange Control's electronic compliance monitoring and reporting system.

## **6.6 Record Keeping**

6.6.1 Notwithstanding the real-time electronic reporting to Exchange Control, ADLA records (including training and policy manuals) shall be kept for **ten years** in written form or kept on microfilm, magnetic tape, optical disk, or any other form of mechanical or electronic data storage and should be made available to Exchange Control on demand. Records may be kept in electronic form to the extent that adequate data recovery systems and procedures are in place.

6.6.2 Every ADLA shall maintain ledger accounts of all its transactions pertaining to buying and selling of currency, and both inward and outward money transfers. Such Ledger Accounts shall, inter alia, reflect the following information;

- a) The serial number of the receipt and transaction date.
- b) The foreign exchange amount purchased or sold, transferred or received.
- c) The exchange rate and commission or fee charges.
- d) The identity of the customer (purchaser, sender, receiver)

- e) Purpose of transaction (medical fees, educational fees, alimony, house construction, transport, food etc.)
- f) If the customer is acting on behalf of another person:
  - i. The identity of the person on whose behalf the customer is acting; and
  - ii. The customer's authority to act on behalf of that other person.
- g) The manner in which the identity of the other person was established.
- h) The nature of the business relationship or transaction between the customer and the other person

6.6.3 If another person is acting on behalf of the customer:

- a) The identity of that other person; and
- b) That other person's authority to act on behalf of the customer;
- c) The manner in which the identity of the other person was established.
- d) The nature of the business relationship or transaction between the customer and the other person.
  - i. The name of the employee who recorded the information on behalf of an ADLA.

ii. Copies of the identity of the customer and/or customer's representative.

iii. Copies of the addresses of the customer and/or customer's representative.

## **6.7 Bank Accounts**

### 6.7.1 An ADLA shall:

i. Have separate accounts for inward transfers, prefunded outward transfers and its business operations with an Authorised Dealer.

There shall not be funds transfers between the accounts.

ii. Request its international partner to prefund inward transfers unless an arrangement that guarantees payment by the international partner is approved by Exchange Control.

iii. Produce, upon request by Exchange Control, all documents pertaining to the account activity, including, but not limited to, bank statements, cheque books, deposit slips and reconciliations or other comparable account records.

## **6.8 Reporting Requirements**

6.8.1 An ADLA shall comply with the "same source" principle for the reporting, through the ADLA's money transfer and reporting system, in **real-time** of all buying and selling of currency and international money transfers as outlined



in the Business and Technical Specifications document and the Service Level Agreement, to be provided to the applicant by the Reserve bank of Zimbabwe's Information and Computer Technology Department.

6.8.2 The ADLA electronic report shall include float and pre-funded account balances, amount send/received, purpose of transaction, sender and receiver identities and nature of access points (debit card, internet, point of sale/ATM, mobile e-wallet, bank account).

## **7. ADLA COMPLIANCE FRAMEWORK PARAMETERS**

### **7.1 Compliance requirements**

7.1.1 An ADLA shall comply with any other requirements or conditions as may be stipulated from time to time, in writing, by Exchange Control.

7.1.2 Any deviation or non-compliance with any of the conditions outlined in this document at a future date may result in the cancellation of the authorisation to conduct the business of an ADLA.

7.1.3 Every ADLA shall employ personnel knowledgeable of Exchange Control Rules and Regulations, particularly on money transfer and bureau de change business. All personnel working for ADLA to conduct the person to person

remittances in terms of these Guidelines shall be compulsorily trained and certified by Exchange Control.

7.1.4 All ADLA's electronic money transfer and reporting system shall have an inbuilt mechanism to adhere to transaction limits prescribed by Exchange Control as well as capacity to enforce mandatory Exchange Control information requirements.

7.1.5 Every ADLA shall be subjected to an Exchange Control Compliance Rating System which shall form the basis of eligibility for licence renewal. See **Appendix 3** which is a detailed compliance rating criteria.

## **7.2 Exchange Control's Right of Inspection**

7.2.1 Exchange Control shall conduct pre-opening inspections of ADLA facilities before commencement of buying and selling of currency and outward international money transfer operations.

7.2.2 Exchange Control shall conduct offsite compliance monitoring on a continuous basis through electronic surveillance and at least one full scope inspection on the ADLA's head office and branch network annually.

7.2.3 An authorised official of the Exchange Control Division or any designated person by Exchange Control, may at any time, conduct an inspection of an

ADLA and its books, in a form and manner determined by the Exchange Control. The inspection will be conducted in such a manner to establish an ADLA's compliance with the laws which apply to its business, including the Money Laundering and Proceeds of Crime Act [Chapter 9:24].

7.2.4 It shall be the duty of every director, official or staff member of an ADLA to produce to the Exchange Control Department official conducting an inspection, all such books, accounts and other documents in the ADLA's custody and to furnish that official with such statements or information relating to the affairs of the ADLA as that official may require. In case of suspected malpractice or fraud, the official has the right of seizure of documents and records.

7.2.5 All ADLA documents shall be kept at the registered office.

### **7.3 Anti-Money Laundering**

7.3.1 All ADLA shall employ a Compliance and AML/CTF Reporting Officer who should have the necessary qualifications, skills and experience in Exchange Control Law and Procedure and the Money Laundering and Proceeds of Crime Act [Chapter 9:24], to perform the duties of that position.

## **7.4 Exchange Control Training**

7.4.1 All officers of an ADLA shall be trained and certified by Exchange Control. There shall be refresher courses every year. Training shall be part of the pre-requisites of ADLA renewal licensing.

## **8. Procedure for Application and Licensing/Registration of ADLAs**

8.1 The following stages shall apply in the licensing/registration and operation by an ADLA;

### **A. Stage 1**

- i. Submission of a duly completed Exchange Control Application Form with all the attended requirements/attachments.
- ii. Exchange Control shall process the application and advises the applicant accordingly. If the application is successful, Exchange Control advises the applicant in writing to proceed to stage 2. The applicant is given at most **14 working days** to proceed to stage 2.

### **B. Stage 2**

- i. **First**, the applicant makes a collateral deposit with Reserve Bank of Zimbabwe and pay the requisite licensing fees.
- ii. **Secondly**, the applicant is given at most **60 working days** to deploy its money transfer and reporting system and, **iii.** Request Exchange Control for a pre-opening inspection.

**C. Stage 3**

- i. Exchange Control carries out a pre-opening inspection which shall also include validation of the ADLA's money transfer and reporting system as well as inspection of the physical premises and verification of ADLA key personnel.
- ii. Exchange Control shall advise the applicant of the outcome of the pre-opening inspection in writing. If the pre-opening inspection was successful the applicant is given at most **30 days** to commence operations.

8.2 In the event that the applicant fails to carry out any of process in stage 2 and 3 within the stipulated period, a specific application shall be made to Exchange Control giving reasons for seeking for an extension or withdrawal of the application. If the withdrawal of the application is after payment of collateral security and license fees, Exchange Control shall levy a cost recovery fee of **1% of the amount deposited with Reserve Bank of Zimbabwe.**

## 9. APPENDICES

### **Appendix 1: Minimum Statutory Requirements for ADLAs Monetary Transfer and Reporting System**

An ADLA money transfer and reporting system shall at least:-

i. Have capacity and interface and in real-time, deposit, synchronise and validate transaction data with Exchange Control's Remittance Monitoring and Reporting System (ECORMORS).
ii. In respect of Tier 1 and 2, capacity to integrate buying and selling of currency with both inward and outward international transfer transactions for adequate compliance and reporting purposes.
iii. Real time transaction aggregation of international money transfers and buying and selling of currency across all ADLA branch networks.
iv. Capacity to synchronise sender and receiver identities and create individual transaction history by name, National identity number, passport, work permit or telephone number or address.
v. Notification of suspicious activity in real time.
vi. Notification regulatory blacklists in real time.
vii. Notification of compliance breaching transactions. For example where a credit card is linked to multiple addresses and where a cellphone is linked to more than one person or address.
viii. Capacity to disaggregate data by purpose, type of sender and receiver access point e.g. mobile phones, point of sale (PoS) terminals, and internet.

**Appendix 2: Application Form for Registration as an ADLA**



**APPLICATION FOR REGISTRATION AS AN AUTHORISED DEALER  
WITH LIMITED AUTHORITY (ADLA)**

**INSTRUCTIONS ON HOW TO COMPLETE THIS FORM**

- i. Attach Annexure wherever necessary.
- ii. Do not leave any questions blank or unanswered: where necessary answer “Not applicable” or “Not known”.
- iii. Upon completion the original of this form and supporting Annexure should be submitted to:

The Director  
Exchange Control  
Reserve Bank of Zimbabwe  
80 Samora Machel Avenue  
**HARARE**

- iv. All enquiries concerning this form or requests for the form should be directed to Exchange Control or the form may be down-loaded from the Reserve Bank Website.

<b>PART 1: PRELIMINARY</b>	
State the name, address and telephone number of the promoter(s) /persons(s) who may be contacted regarding any questions in respect of this application.	..... ..... ..... ..... ..... ..... .....
<b>PART 2: PARTICULARS OF ADLA</b>	
2.1 Name under which ADLA ('the applicant') seeks registration	..... ..... .....
2.2 Indicate the <u>Tier</u> under which ADLA would operate	..... ..... .....
2.3 Physical address of the applicant's Head Office	..... ..... .....
2.4 Names, home physical addresses and occupations of chairperson and directors	..... ..... .....
2.5 Name and home physical address of Chief Executive Officer	..... ..... .....
2.6 Name, home physical address and qualifications of the applicant's auditors	..... ..... .....
2.7 Name, and Head Office address of the International Money Transfer Organisation that has contracted to partner ADLA to provide money transfer services	..... ..... .....



### PART 3: INFORMATION REQUIREMENTS

Prospective investors will be required to submit the following documentation and security as part of registration procedures:

**Table 1: Information Required**

ITEM	Attached (Y/N)	Reasons for no Attachment
1. A Certified copy of the CR14		
2. Audited/Unaudited Financial Accounts		
3. Confirmation from ADLA that the funds are available in the company’s bank account.		
4. Agreement(s) with an international partner(s) including remittance process flows and risk assessment.		
5. Anti-money laundering registration certificate(s) of the international partner(s).		
6. ADLA’s anti-money laundering registration certificate or endorsement by Reserve Bank Use Promotion and Suppression of Money Laundering Unit.		
7. 12 month international remittance projections.		
8. Business plan		

ITEM	Attached (Y/N)	Reasons for no Attachment
9. CVs of the proposed ADLA officers and managers.		
10. Zimbabwe Republic Police clearance of proposed ADLA officers and directors.		
11. Zimbabwe Revenue Authority (ZIMRA) tax clearance certificate.		
12. A statement certified by the Chairman of the board showing the auditors of the ADLA		
13. Details of your proposed planning and implementation of the ADLA's Money Transfer and Reporting System.		
14. Declarations by all persons (individually) who are holding, or are proposing to hold, the office of a director of, or shareholding in an (ADLA) in respect of each director and/or shareholder.		

**PART 4: DECLARATION BY ADLA**

We, the undersigned do hereby certify that;

- (a) All information given in response to and in support of the questions and items in this application is true and correct to the best of our knowledge and belief.
  
- (b) This application is made in good faith with the purposes and intent that the affairs and business of the applicant will at all times be honestly conducted in accordance with good and sound business principles and in full compliance with all applicable laws and lawful directives.
  
- (c) We further certify that to the best of our knowledge and belief there are facts or information relevant to this application of which the Reserve Bank of Zimbabwe should be aware, and we pledge to promptly inform the Reserve Bank of Zimbabwe of any changes material to this application which may arise while it is being considered by the Reserve Bank of Zimbabwe. We undertake to comply with all information requests by the Reserve Bank for regulatory/supervisory purposes, and hereby authorize the Reserve Bank of Zimbabwe and any of its authorised staff to make an inquiry or obtain any information from any source for the purpose of determining the correctness of all representations made in connection with this application or of assessing its merits.

Chairperson of the Board (Print Name).....

Signature.....

Date.....

Chief Executive (Print Name).....

Signature.....

Date.....

Director (Print Name).....

Signature.....

Date.....





**STATEMENT BY INDIVIDUALS WHO ARE HOLDING, OR ARE PROPOSING TO HOLD, THE OFFICE OF A DIRECTOR OF, OR SHAREHOLDING IN AN AUTHORISED DEALER WITH LIMITED AUTHORITY (ADLA)**

1. Name of ADLA in connection with which this questionnaire is being completed (“the company”)

.....

2. Your surname:

.....

3. Your full forename(s):

.....

4. Former surname(s) and/or forename(s) by which you may have been known:

.....

5. Please state in which capacity you are completing this questionnaire, that is, as a current or prospective director, a shareholder or combination of these. Please state your full title, and describe the particular duties and responsibilities attaching to the position(s) that you hold or will hold. If you are completing this form in the capacity as director, indicate whether, in your position as director, you have or will have executive responsibility for the management of the company's business. In addition, please provide a copy of your *curriculum vitae*:

.....

6. Residential address:

.....

7. Any previous residential address(es) during the past 10 years:

.....

8. Date and place of your birth (including town or city):

.....

9. Your nationality and how it was acquired (birth, naturalisation or marriage). If applicable, a certified copy/suitable documentary evidence as proof that you were granted Zimbabwean citizenship, must also be attached:

.....

10. Name(s) and address(es) of your bankers during that past 10 years:

.....

11. Your occupation and employment now and during the past 10 years, including the name of your employer in each case, the nature of the business, the position held and relevant dates:

.....

12. Of which bodies corporate (other than the company) are you a director or a shareholder and since when?

.....

13. Do you hold directly or indirectly issued capital of any body corporate (other than the company) that is now registered, or that has applied for for ADLA? If so, give particulars:

.....

14. Of which bodies corporate (other than the company) and those listed in reply to question 12 above have you been a director or shareholder at any time during the past 10 years? Give relevant dates:

.....

15. Do any of the bodies corporate listed in reply to questions 11, 12, 13 and 14 above maintain a business relationship with the company? If so, give particulars:

.....

16. Do you hold or have you ever held or applied for a licence or equivalent authorisation to conduct any business activity in Zimbabwe or elsewhere? If so, give particulars. If any such application was refused or withdrawn after it was made or if any authorisation was revoked, give particulars:

.....

17. Does any institution with which you are (in Zimbabwe or elsewhere), or have been, associated as a director or shareholder hold, or has it ever held or applied for, a licence or equivalent authorisation to conduct any business activity? If

so, give particulars. If any such application was refused, or was withdrawn after it was made or if an authorisation was revoked, give particulars:

.....

18. Have you, in Zimbabwe or elsewhere, been censured, disciplined, warned as to future conduct, or made the subject of a court order at the instigation of any regulatory authority or any professional body to which you belong or belonged, or have you ever held a practising certificate subject to conditions? If so, give particulars:

.....

19. Have you, or has any body corporate, partnership or unincorporated institution with which you are, or have been, associated as a director or shareholder, been the subject of an investigation, in Zimbabwe or elsewhere, by or at the instigation of a government department or agency, professional association or other regulatory body? If so, give particulars:

.....

20. Have you, or has any body corporate, partnership or unincorporated institution in which you are, or have been, associated as a director or shareholder, been involved in money laundering or terrorist activities? If so, give particulars.

.....

21. Have you, in Zimbabwe or elsewhere, been dismissed from any office or employment, or been subject to disciplinary proceedings by your employer or been barred from entry to any profession or occupation? If so, give particulars:

.....

22. Have you failed to satisfy any debt adjudged due and payable by you, as a judgement-debtor under an order of a court in Zimbabwe or elsewhere, or



made any compromise arrangement with your creditors within the past 10 years? If so, give particulars:

.....

23. Have you ever been declared insolvent (either provisionally or finally) by a court in Zimbabwe or elsewhere, or has a bankruptcy petition ever been served on you? If so, give particulars:

.....

24. Have you, in connection with the formation or management of any body corporate, partnership or unincorporated institution, been adjudged by a court in Zimbabwe or elsewhere civilly liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? If so, give particulars:

.....

25. Has any body corporate, partnership or unincorporated institution with which you were associated as a director or shareholder, in the Zimbabwe or elsewhere, been wound up, made subject to an administration order, otherwise made any compromise or arrangement with its creditors or ceased trading, either while you were associated therewith or within one year after you ceased to be associated therewith, or has anything analogous to any of these events occurred under the laws of any other jurisdiction? If so, give particulars:

.....

26. Have you been concerned with the management or conduct of the affairs of any institution that, by reason of any matter relating to a time when you were so concerned, has been censured, warned as to future conduct, disciplined or made the subject of a court order at the instigation of any regulatory authority in Zimbabwe or elsewhere? If so, give particulars:

.....

27. In carrying out your duties will you be acting on the directions or instructions of any other individual or institution? If so, give particulars:

.....

28. Do you, or does any related party of whom you are aware, undertake business with this company? If so, give particulars:

.....

29. How many shares in the company are registered in your name or the name of a related party? If applicable, give name(s) in which such shares are registered and the class of shares:

.....

30. In how many shares in the company (not being registered in your name or that of a related party) are related parties beneficially interested?

.....

31. Are any of the shares in the company mentioned in reply to questions 29 and 30 above equitably or legally charged or pledged to any party? If so, give particulars:

.....

32. Are you currently, or do you, other than in a professional capacity, expect to be, engaged in any litigation in Zimbabwe or elsewhere? If so, give particulars:

.....

33. Do you, at all times while acting in your capacity as a director or shareholder of the company, undertake to:

- a. act in good faith towards the company and the Exchange Control Division;
- b. avoid conflict between your other interests and the interests of the company and the Exchange Control Division; and
- c. place the interest of the company and the Exchange Control Division above all other interests?

.....  
34. Kindly also attach certified copies of:

- a. A written confirmation from the Zimbabwe Republic Police that you have not been convicted of any criminal offences, excluding:

- (i) any offence committed when you were under 18 years, unless the same was committed within the last 10 years;
  - (ii) any road traffic offence;
  - or (iii) any political offence.

35. If applicable, give particulars of the court by which you were convicted, the offence, the penalty imposed and the date of conviction.

- b. A certificate of good standing from the Zimbabwe Revenue Authority.

**DECLARATION**

I, ..... , hereby declare the following: This statement consists of ..... pages, each signed by me. The content of this declaration is true to the best of my knowledge and belief. I am aware that should it be submitted as evidence and I know that something appears therein that I know to be false or believe not to be true, I may be liable to prosecution. I am acting in my own personal capacity as a shareholder of the institution and not as a nominee, trustee or beneficiary for an undisclosed person or legal entity.

I undertake that, as long as I continue to be a director or shareholder of the company, I will notify the Exchange Control Division of any material changes to, or affecting the completeness or accuracy of, the information supplied by me in items 1 to 33 as soon as possible, but in no event later than 14 days from the day that the changes come to my attention.

I know and understand the content of this declaration. I *have\*/do not have\** objections to taking the prescribed oath.

I consider the prescribed oath to be *binding\*/not binding\** on my conscience.  
.....

SIGNATURE OF DEPONENT

I certify that the above statement was taken by me and that the deponent has acknowledged that *he\*/she\** knows and understands the content of this statement. This statement was *sworn to\*/affirmed\** before me and the deponent’s signature was placed thereon in my presence at ..... on this ..... day of ..... (yyyy-mm).

.....  
COMMISSIONER OF OATHS

FULL NAMES: .....

EX OFFICIO: .....

AREA: .....

ADDRESS: .....

*\* Delete whichever is not applicable*

## **Appendix 3: Exchange Control Compliance Rating System for ADLA**



### **THE EXCHANGE CONTROL COMPLIANCE RATING PROCESS FOR AUTHORISED DEALERS WITH LIMITED AUTHORITY (ADLA)**

#### **1. Exchange Control Rating Scores**

- 1.1 The Compliance Rating Process assesses and assigns ratings to all the ADLA on a scale of 1 to 5, depicting ADLA's level of compliance. Successful renewal of license is predicated upon attainment of a minimum compliance level of rating 3 (three). The scale is applied as follows:-

**Table 2: Exchange Control Rating Scores**

OVERALL RATING	RATING
Excellent (5)	<p>i.</p> <p>An institution in this category is in an <b>excellent</b> compliance position. The ADLA is compliant with Exchange Control Rules and Regulations in all areas inspected. There is no need for corrective action. The ADLA is characterized by fully efficient and effective Exchange Control prescribed systems. Management is capable of and staff is sufficient for effecting compliance. An effective compliance program, including an efficient system of internal procedures and controls, has been established. The institution provides adequate training for its employees. The electronic reporting system is efficient and reliable.</p> <p>ii. If any violations are noted they will relate to relatively minor deficiencies in forms or practices that are easily corrected. Violations and deficiencies are promptly corrected by management. As a result, the institution gives no cause for compliance monitoring.</p>
Very Good (4)	<p>i. An institution in this category is in a very good compliance position. The level of noncompliance is minor and not detrimental to the operations of the ADLA. Management is capable of administering an effective compliance program. Although a system of internal operating procedures and controls has been established to ensure compliance, violations have nonetheless occurred. These violations, however, involve technical aspects of the law or result from oversight on the part of operating personnel. Modification in the ADLA’s compliance program and/or the establishment of additional review/audit procedures may eliminate many of the violations. Compliance training is good. The electronic reporting system have minor technical glitches.</p>
Good (3)	<p>i. Generally an institution in this category is in a good compliance position. The ADLA has achieved an average level of compliance. It is a cause for compliance monitoring concern and requires more than normal monitoring to remedy deficiencies. Violations may be numerous. In addition, previously identified practices resulting in violations may remain uncorrected. Although management may have the ability to effectuate compliance, increased efforts are necessary.</p>

	<p>ii.</p> <p>The numerous violations discovered are an indication that there has been persistent electronic systems and procedural failures and management has not devoted sufficient time and attention to compliance. Operating procedures and controls have not proven effective and require strengthening. This may be accomplished by, among other things, instituting a</p>
<b>OVERALL RATING</b>	<b>RATING</b>
	<p>remedial programme on electronic reporting systems and re-orientation of the compliance officer in addition to developing and implementing a comprehensive and effective compliance program.</p>
Unsatisfactory (2)	<p>i. An institution in this unsatisfactory category requires close compliance monitoring to promptly correct the serious compliance problems disclosed. The level of non-compliance is high and is detrimental to the operations of the ADLA. Numerous violations are present. Often practices resulting from system failures and violations cited at previous inspections remain uncorrected. Clearly management has not exerted sufficient effort to improve systems efficiency to ensure compliance. Its attitude may indicate a lack of interest in administering an effective compliance program which may have contributed to the seriousness of the institution's compliance problems. Internal procedures and controls have not proven to be effective and are seriously deficient. Prompt action on the part of the regulator may enable the institution to correct its deficiencies and improve its compliance position. Institution of corrective action is very critical.</p>
Poor (1)	<p>i. An institution in this poor category is in need of the strongest level of compliance monitoring. It is non-compliant in all major inspection areas. Management has demonstrated unwillingness or inability to operate within Exchange Control Rules and Regulations. Previous efforts on the part of the regulatory authority to obtain voluntary compliance have been unproductive</p>



## 2. Rating Criteria

2.1 The rating criterion is based on quantitative and qualitative analysis of an ADLA's compliance to identified ten (10) compliance factors as shown in the Table 3 below. It is upon these factors that compliance inspections will be carried out.

**Table 3: Exchange Control Compliance Factors**

NO.	COMPLIANCE FACTORS	WEIGHT
1.	Premises Security -Comparison with pre-opening status;	5%
2.	Stationery	5%
3.	Implementation of Exchange Control Policy-Directives/ Circulars/ Orders	15%
4.	Anti-money Laundering and Combating Financing of Terrorism	20%
5.	Adequate pre-funding of send transfers, efficient delivery to beneficiaries & accounting of remittances and repatriation of commissions.	15%
6	Human Resources Capacity- As compared to pre-opening inspection status.	5%
7	Compliance with statutory requirements	5%
8	Branch Network Compliance	5%

9	ADLA Reporting Systems. -Efficiency and Effectiveness	20%
10	Record Keeping and File Management	5%
	<b>Overall Rating</b>	<b>100%</b>

**3. The Compliance Rating Score Card**

3.1 The Compliance Rating Process Score Card allocates weights for each compliance factor ranging from 20% to 5%. Each compliance factor is then broken down to sub-factors that are further allocated sub-weights that add up to the weights allocated in the compliance area. Using a mathematical formula, the weights are applied to achieve the ratings ranging from 5 to 1.

3.2 The formula is as follows:

$$\text{Weighted Rating for each Compliance Factor} = \frac{\sum(\text{Actual Sub-Weights}) \times 5}{\text{Standard Weight}}$$

3.3 Ratings achieved by the ADLA form the basis for the renewal of licences.

**4. Implications of Weighted Compliance Ratings Assigned to ADLA**

4.1 For purposes of ensuring the setting of best standards and practices in the administration of buying and selling currency and small value money transfers by ADLAs, the Reserve Bank has set a weighted minimum score of **Three (3)** as an acceptable rating for the renewal of ADLA license.

4.2 Consequently, the minimum score of three (3) has the following implications for the respective an ADLA:

- (i) A rating of three (3) and above – the ADLA shall be eligible for issuance and/or renewal of ADLA licence.
- (ii) A rating below three (3) – an ADLA shall **not** be eligible for issuance and/or renewal of ADLA licence.

4.3 An ADLA that violates Exchange Control Regulations during its course of business or the validity period of its ADLA licence and, as a result, attain a rating below three (3), shall have its licence withdrawn. Such a development will result in the affected ADLA seizing its operations.

4.4 The collateral security will be refunded by the Reserve bank after a declaration of external auditors that the ADLA does not owe its customers or both local and international partners.

**Table 4: Exchange Control Compliance Rating For ADLA**

No	Compliance Area	Rating Factors	Standard Sub Weight	Actual Sub Weight	Standard Overall Weight %	Actual Overall Weight %	Remarks
1	Premises Security - Comparison with pre-opening status;	• Electronic surveillance-CCTV, panic buttons, rapid response.		2	5		
		• Safes, banking hall set-up,		1			
		• Security data storage and back up (CCTV video manning, storage, playback)		2			
2	Stationery	• Stationery- Computers, official stamps, counterfeit detecting apparatus		1	5		
		• Issuance of ADLA receipts with exchange rates, fees/commission and contact numbers to channel customer grievances.		4			
3	Implementation of Exchange Control Policy/Directives/	• Submission of yearly financial statements on ADLA business.		3	15		

No	Compliance Area	Rating Factors	Standard Sub Weight	Actual Sub Weight	Standard Overall Weight %	Actual Overall Weight %	Remarks
	Circulars/ Orders	<ul style="list-style-type: none"> <li>Application for Exchange Control authority for additional products.</li> </ul>		3			
		<ul style="list-style-type: none"> <li>Timeous application for licence renewal.</li> </ul>		3			
		<ul style="list-style-type: none"> <li>Complying with corrective orders.</li> </ul>		3			
		<ul style="list-style-type: none"> <li>Notification of material change to management structure, shareholding and product.</li> </ul>		3			
4	Anti-money Laundering a combating Financing of Terrorism	<ul style="list-style-type: none"> <li>Integration of AML/CTF programme in ADLA reporting system.</li> </ul>		5	20		
		<ul style="list-style-type: none"> <li>Reporting of suspicious transactions.</li> </ul>		5			
		<ul style="list-style-type: none"> <li>Applying sanctions on blacklisted customers.</li> </ul>		5			

		<ul style="list-style-type: none"> <li>Recording of customer details/identity.</li> </ul>		<b>5</b>		
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No	Compliance Area	Rating Factors	Standard Sub Weight	Actual Sub Weight	Standard Overall Weight %	Actual Overall Weight %	Remarks
5	Adequate funding of send transfers, effective accounting of remittances and repatriation of commissions	<ul style="list-style-type: none"> <li>Separation of accounts (inflows, payouts, commission)</li> </ul>		<b>1</b>	<b>15</b>		
		<ul style="list-style-type: none"> <li>Adequate funding of send transfers.</li> </ul>		<b>10</b>			
		<ul style="list-style-type: none"> <li>Efficient disbursement to clients.</li> </ul>		<b>2</b>			
		<ul style="list-style-type: none"> <li>Prompt repatriation of commissions in line with agreement.</li> </ul>		<b>2</b>			
6	Human Resources Capacity- compared to pre-opening inspection status. As	<ul style="list-style-type: none"> <li>Functional structure</li> </ul>		<b>1</b>	<b>5</b>		
		<ul style="list-style-type: none"> <li>Work experience of staff</li> </ul>		<b>1</b>			
		<ul style="list-style-type: none"> <li>Exchange Control Training</li> </ul>		<b>2</b>			

		<ul style="list-style-type: none"> <li>Academic &amp; professional qualifications of staff</li> </ul>		<b>1</b>			
7	Compliance with statutory requirements	<ul style="list-style-type: none"> <li>Tax clearance certificate-Payment of taxes</li> </ul>		<b>2.5</b>	<b>5</b>		
		<ul style="list-style-type: none"> <li>Compliance with National Payment</li> </ul>		<b>2.5</b>			

No	Compliance Area	Rating Factors	Standard Sub Weight	Actual Sub Weight	Standard Overall Weight %	Actual Overall Weight %	Remarks
		Act.					
8	Branch Network Compliance	<ul style="list-style-type: none"> <li>Capability to handle and process foreign exchange transactions/remittances.</li> </ul>		<b>2</b>	<b>5</b>		
		<ul style="list-style-type: none"> <li>Reporting system to Head office.</li> </ul>		<b>1</b>			
		<ul style="list-style-type: none"> <li>Records Management and Filing</li> </ul>		<b>2</b>			
9	ADLA Reporting Systems.	<ul style="list-style-type: none"> <li>Connectivity to ECORMORS.</li> </ul>		<b>4</b>	<b>20</b>		

	Efficiency and Effectiveness	<ul style="list-style-type: none"> <li>• Availability of systems back up.</li> </ul>		4			
		<ul style="list-style-type: none"> <li>• Real-time reporting and synchronisation with ECORMORS.</li> </ul>		8			
		<ul style="list-style-type: none"> <li>• Ability to aggregate and disaggregate data.</li> </ul>		4			
10	Record Keeping and File Management	<ul style="list-style-type: none"> <li>• Timeous Retrieval of records</li> </ul>	2.5		5		
		<ul style="list-style-type: none"> <li>• Safe storage of Exchange Control</li> </ul>	2.5				
<b>No</b>	<b>Compliance Area</b>	<b>Rating Factors</b>	<b>Standard Sub Weight</b>	<b>Actual Sub Weight</b>	<b>Standard Overall Weight %</b>	<b>Actual Overall Weight %</b>	<b>Remarks</b>
		documentation					
		<b>OVERALL RATING &amp; COMMENTS</b>	<b>100</b>		<b>100</b>		