

**Exchange Control (Foreign Exchange Bureaux de Change) Order, 2001**  
**SI 323B of 2001**

**ARRANGEMENT OF SECTIONS**

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IT is hereby notified that the Reserve Bank of Zimbabwe, in terms of section 40 of the Exchange Control Regulations, 1996, and with the approval of the Minister of Finance, has made the following order:—

**Title**

1. This order may be cited as the Exchange Control (Foreign Exchange Bureaux de Change) Order, 2001.

**Interpretation**

2. In this order—

“business organisation” means a body corporate or firm carrying on business in Zimbabwe;

“Exchange Control (General) Order” means the Exchange Control (General) Order, 1996, published in Statutory Instrument 110 of 1996;

“interbank market” means the foreign currency market operated by authorised dealers in Zimbabwe;

“officer”, in relation to a foreign exchange bureau de change, means the manager or managing director or any member of the professional or operational staff of a foreign exchange bureau de change;

“principal regulations” means the Exchange Control Regulations, 1996, published in Statutory Instrument 109 of 1996;

“Registrar” means—

- (a) the Registrar of Banking Institutions referred to in section 45 of the Banking Act [Chapter 24:20]; or

(b) any other person who may be charged by or under any enactment with the registration or licensing of banks and other financial institutions.

Documentation required for registration as a foreign exchange Bureau de change

3. A company wishing to be registered as a foreign exchange bureau de change in terms of section 30 of the principal regulations shall furnish to the Registrar—

(a) a true copy, certified by a director of the company, of the memorandum and articles of association; and

(b) a true copy, certified by the Registrar of Companies, of the certificate of incorporation of the company, issued in terms of the Companies Act [Chapter 24:0-3]; and

(c) a statement, certified by a director and the auditors of the company showing—

(i) the authorised paid-up capital of the company at a date not earlier than thirty days before the date of application;

(ii) the assets that will comprise the minimum capital required in terms of section 5 for the registration of the company as a foreign exchange bureau de change;

(d) the names and addresses of every person who will become an officer of the proposed foreign exchange bureau de change, together with details of their qualifications in the field of exchange control law and procedure, and the offices and branches where they will be stationed.

Fees payable by foreign exchange bureaux de change for registration, annual renewal and opening of new branches

4. (1) An application for registration as a foreign exchange bureau de change in terms of section 30 of the principal regulations shall be accompanied by a fee of twenty thousand dollars.

(2) The annual fee payable to the Registrar by a foreign exchange bureau de change for the renewal of its registration shall be fifty thousand dollars.

(3) The annual fee referred to in subsection (2) shall be paid not later than the 31st March of the year following that in respect of which the fee is payable.

(4) A registered foreign exchange bureau de change that wishes to open a new branch of its operations anywhere in Zimbabwe after the date of commencement of this order may apply in writing to the Registrar for such registration, and shall submit with its application—

(a) a fee of fifty thousand dollars; and

(b) such information as the Registrar may require.

Minimum capital of foreign exchange bureaux de change

5. (1) Subject to section 14, no company shall be registered as a foreign exchange bureau de change in terms of section 30 of the principal regulations unless it has a minimum capital of one hundred and fifty thousand United States dollars or the Zimbabwe dollar equivalent of such amount, of which—

(a) not less than fifty thousand United States dollars or the Zimbabwe dollar equivalent of such amount shall be deposited with the Reserve Bank; and

(b) the remainder may be maintained in the form of cash, equity, or movable or immovable assets.

(2) Except with the authority of the Reserve Bank, a foreign exchange bureau de change shall not transfer, cede, hypothecate or encumber any part of its minimum capital it deposits with the Reserve Bank in terms of paragraph (a) of subsection (1).

(3) Interest shall be paid by the Reserve Bank on amounts deposited with it in terms of paragraph (a) of subsection (1)—

(a) at the current rate of London inter-bank interest in the case of United States dollar deposits;

(b) at the current rate of interest payable on treasury bills in the case of Zimbabwe dollar deposits.

Officers of foreign exchange bureaux de change

6. (1) Every foreign exchange bureau de change shall be managed by a manager or managing director who is a fit and proper person to manage the foreign exchange bureau de change in terms of subsection (2).

(2) No person shall be a fit and proper person to be a manager or managing director of a foreign exchange bureau de change if—

(a) he is the manager or managing director of another foreign exchange bureau de change which carries on business in Zimbabwe in competition with the first mentioned society; or

(b) he does not have sufficient qualifications or experience in the field of exchange control law and procedure; or

(c) under the law of any country—

(i) he has been adjudged or otherwise declared insolvent or bankrupt and has not been rehabilitated or discharged; or

(ii) he has made an assignment to, or arrangement or composition with, his creditors which has not been rescinded or set aside; or

(iii) he has been convicted of theft, fraud, forgery, uttering a forged document or perjury or any other offence, by whatever name called, that is similar to any of those offences, and has not received a free pardon; or

(iv) he has been convicted of any offence and sentenced to a term of imprisonment exceeding six months, imposed otherwise than as an alternative to or in default of payment of a fine, and has not received a free pardon.

(3) No person shall be a fit and proper person to be a member of the professional or operational staff of a foreign exchange bureau de change unless he has sufficient qualifications in the field of exchange control law and procedure.

(4) A person shall be deemed to have had sufficient qualifications or experience in the field of exchange control law and procedure for the purpose of being an officer of a foreign exchange bureau de change if the Reserve Bank certifies that such officer has satisfactorily completed any course of training on exchange control law and procedure offered by the Reserve Bank.

(5) If any information comes to the notice of the Registrar or the Reserve Bank to the effect that an officer of a foreign exchange bureau de change is not or has ceased to be a fit or proper person to hold the office concerned, the Reserve Bank shall—

(a) furnish the foreign exchange bureau de change and the officer concerned with full details of all the information in the possession of the Reserve Bank in that regard; and

(b) request the officer concerned in writing to make written representations to the Reserve Bank on the matter within thirty days of the request.

(6) The Reserve Bank may, after considering any representations received in terms of paragraph (b) of subsection (5), direct the foreign exchange bureau de change in writing to commence proceedings for the removal of the officer concerned within such period as the Reserve Bank shall specify.

Premises and equipment of foreign exchange bureaux de change

7. (1) Every new foreign exchange bureau de change or new branch of a foreign exchange bureau de change shall be subjected to a pre-opening inspection conducted by the Reserve Bank before it is opened to the public.

(2) Every foreign exchange bureau de change shall be conducted in premises that comply with the following requirements in addition to any other requirements that may be specified in directions issued by the Reserve Bank—

(a) the premises shall be reasonably secure, that is—

(i) the premises shall not be mobile; and

(ii) the premises shall be easily visible to the general public; and

(iii) the premises shall be readily accessible by members of the public; and

(b) the tellers shall work behind a counter that affords reasonable protection to the tellers.

(3) For the purpose of the proper and efficient conduct of its operations, a foreign exchange bureau de change shall comply with the minimum equipment and stationery requirements specified in the First Schedule.

Operations of foreign exchange bureaux de change

8. (1) A foreign exchange bureau de change may sell foreign currency for the following purposes—

(a) issuing business travel allowances to business organisations that are Zimbabwean residents, subject to section 9 and the terms and conditions specified in Part I of the Second Schedule; and

(b) issuing holiday travel allowances to individuals who are Zimbabwean residents, subject to section 9 and the terms and conditions specified in Part II of the Second Schedule; and

(c) subject to section 9, providing visitors to Zimbabwe with foreign currency on their departure if such visitors are buying back foreign currency sold to an authorised dealer or a foreign exchange bureau de change.

(2) A foreign exchange bureau de change may purchase any amount of foreign currency from a visitor to Zimbabwe.

(3) Whenever a foreign exchange bureau de change purchases foreign currency from a visitor to Zimbabwe, it shall issue the visitor with a receipt showing the amount so purchased, the exchange rate applied and any other changes.

(4) Except as authorised by this section or by an exchange control authority, a foreign exchange bureau de change shall not—

(a) buy or borrow any foreign currency from; or

(b) sell or lend any foreign currency to; or

(c) exchange any foreign currency with;

any other person other than an authorised dealer.

(5) Any transaction with an authorised dealer referred to in paragraph (a), (b) or (c) of subsection (1) shall be conducted in accordance with this order and such directions as may be given to the authorised dealer or foreign exchange bureau de change concerned in terms of section 35 of the principal regulations.

(6) For the purpose of conducting its day-to-day business, every foreign exchange bureau de change shall open and maintain one or more foreign currency accounts with an authorised dealer:

Provided that—

(i) a foreign exchange bureau de change shall not open an aggregate of more than six such accounts, whether with a single authorised dealer or any number of authorised dealers, of which not more than one such account may be denominated in Botswana pula and not more than one such account may be denominated in South African rand;

(ii) a foreign exchange bureau de change shall not use the currency in any such account as collateral security for local borrowings.

(7) Whenever it is open for business, a foreign exchange bureau de change shall display a notice, visible to the public, showing the rates at which it will purchase and sell foreign currency.

(8) Every foreign exchange bureau de change shall maintain—

(a) proper records of all its purchases and sales of foreign currency on the interbank market; and

(b) a ledger account in which it shall record all its foreign currency transactions.

(9) Every foreign exchange bureau de change shall keep the records referred to in subsection (8) for a period of not less than ten years.

Sales of foreign currency by bureaux de change and authorised dealers to the same persons

9. (1) A foreign exchange bureau de change shall not sell foreign currency—

(a) to a Zimbabwean resident in terms of paragraph (a) of subsection (1) of section 8—

(i) where an authorised dealer has issued to the resident the maximum amount of foreign currency that may be issued in terms of paragraph 1 of Part II of the First Schedule to the Exchange Control (General) Order; or

(ii) in excess of the difference between the amount of foreign currency actually issued to the resident by an authorised dealer in terms of paragraph 1 of Part II of the First Schedule to the Exchange Control (General) Order and the maximum amount that may be issued in terms of that provision;

(b) to a Zimbabwean resident in terms of paragraph (b) of subsection (1) of section 8—

(i) where an authorised dealer has issued to the resident the maximum amount of foreign currency that may be issued in terms of paragraph 1 of Part III of the First Schedule to the Exchange Control (General) Order; or

(ii) in excess of the difference between the amount of foreign currency actually issued to the resident by an authorised dealer in terms of paragraph 1 of Part III of the First Schedule to the Exchange Control (General) Order and the maximum amount that may be issued in terms of that provision.

(c) to a visitor in terms of paragraph (c) of subsection (1) of section 8—  
(i) unless the visitor produces a receipt showing that he has sold foreign currency to an authorised dealer or foreign exchange bureau de change; or  
(ii) in excess of the amount shown on the receipt referred to in subparagraph

(i).

(2) A foreign exchange bureau de change shall not sell foreign currency for the purposes of holiday travel allowances to individuals who have been issued with international credit cards by an authorised dealer and whose passports are endorsed in terms of paragraph (c) of subsection (2) of section 8 of the Exchange Control (General) Order.

(3) An authorised dealer shall not sell foreign currency in terms of paragraph 1 of Part III of the First Schedule to the Exchange Control (General) Order—

(a) where a foreign exchange bureau de change has issued to the resident the maximum amount of foreign currency that may be issued in terms of Part I of the Second Schedule; or

(b) in excess of the difference between the amount of foreign currency actually issued to the resident by a foreign exchange bureau de change in terms of Part I of the Second Schedule and the maximum amount that may be issued in terms of that provision.

Restriction on holdings of foreign currency in cash by foreign exchange bureaux de change

10. (1) A foreign exchange bureau de change shall not at any time hold in cash an amount of foreign currency in excess of one hundred thousand United States dollars.

(2) A foreign exchange bureau de change shall dispose of any amount of foreign currency held as cash in excess of the amount specified in subsection (1) by—

(a) offering such proceeds for sale to an authorised dealer; or

(b) paying such proceeds into a foreign currency account;

as soon as is reasonably possible in the circumstances.

Accounts and financial statements of foreign exchange bureaux de change

11. (1) A foreign exchange bureau de change shall—

(a) keep proper accounts and other records relating thereto; and

(b) at the end of each financial year, prepare the financial statements;

reflecting, in accordance with sound accounting practices, the bureau's operations and financial condition.

(2) The accounts of a foreign exchange bureau de change shall be audited by an auditor who is registered as a public auditor in terms of the Public Accountants and Auditors Act [Chapter 27:12] and who is not an employee, manager or director of the bureau de change.

(3) Every foreign exchange bureau de change shall furnish to the Registrar and the Reserve Bank copies of the audited annual financial statements prepared in terms of paragraph (b) of subsection (1), within six months after the end of the financial year to which the statements relate.

Returns by foreign exchange bureaux de change

12. (1) In addition to submitting the foreign currency return in terms of section 5 of the Exchange Control (Exchange Rate Management) Order, 2000, every foreign exchange bureau de change shall complete forms E and S and submit them to the Reserve Bank before the end of working hours on Monday each week.

(2) In addition to the returns referred to in subsection (1), every foreign exchange bureau de change shall submit to the Reserve Bank, through the authorised dealer with which it maintains accounts in terms of subsection (6) of section 8, returns at such intervals and containing such information as the Reserve Bank may specify from time to time in a direction in terms of section 20 of the Exchange Control (General) Order.

#### Compliance directions and penalties

13. (1) Additionally or alternatively to any penalty provided under the Act, but subject to section 14, the Reserve Bank may direct a foreign exchange bureau de change to cease engaging in any further foreign exchange activities if the foreign exchange bureau de change—

(a) fails to pay the annual fee referred to in subsection (2) of section 4 within the period specified in subsection (3) of that section or such extension of that period as the Registrar may grant; or

(b) fails to maintain the minimum capital in the amount and manner required in terms of section 5; or

(c) fails to comply with an order issued in terms of subsection (6) of section 6 after seven days' notice to rectify such non-compliance;

(d) fails to comply with subsection (7) or (8) of section 8;

(e) contravenes section 10;

(f) fails within the required period, or such extension of that period as the Registrar may grant, to submit the annual financial statement or returns referred to in section 11 or 12; or

(g) fails to exhibit the sign or board referred to in paragraphs 1 and 7 of the First Schedule after seven days' notice to rectify such non-compliance;

(h) fails to obtain any counterfeit notes-detecting machine or pens or a money deposit safe as required by paragraph 2 or 5 of the First Schedule after seven days' notice to rectify such non-compliance;

(i) fails to comply with the requirement to produce the items referred to in paragraph 3 or 4 of the First Schedule;

(j) fails to install adequate computer equipment to facilitate the efficient processing of transactions, records keeping and reporting as required by paragraph 6 of the First Schedule.

(2) A direction issued to a foreign exchange bureau de change for a failure referred to in—

(a) paragraph (d) of subsection (1), shall have effect for the period specified in the direction;

(b) paragraph (g), (h) or (j) of subsection (1), shall have effect until the non-compliance is rectified.

(3) A failure by a foreign exchange bureau de change referred to in paragraph (b), (c), (e), (f) or (i) of subsection (1) shall afford grounds for the Reserve Bank to recommend the cancellation by the Registrar of the registration of the foreign exchange bureau de change concerned.

#### Existing foreign exchange bureaux de change to comply with order

14. (1) If any foreign exchange bureau de change that was registered in terms of section 30 of the principal regulations immediately before the date of commencement of this order—

- (a) does not meet the minimum capital requirements referred to in section 5;
- (b) does not comply with any of the requirements of section 7;

it shall comply with such requirements no later than six months from the date of commencement of this order.

(2) Every foreign exchange bureau de change that was registered in terms of section 30 of the principal regulations immediately before the date of commencement of this order shall, when requested to do so by the Reserve Bank, furnish it with the names and addresses of every person who is an officer of the foreign exchange bureau de change, together with details of their qualifications in the field of exchange control law and procedure and the offices and branches where they will be stationed.

(3) Every officer of a foreign exchange bureau de change that was registered in terms of section 30 of the principal regulations immediately before the date of commencement of this order shall, within six months from the date of commencement of this order, obtain the certification referred to in subsection (4) of section 6.

(4) Additionally or alternatively to any penalty provided under the Act, the Reserve Bank may direct a foreign exchange bureau de change that was registered in terms of section 30 of the principal regulations immediately before the date of commencement of this order to cease engaging in any further foreign exchange activities if the foreign exchange bureau de change fails to comply with subsection (1) or (2).

First Schedule (Section 3)

## **MINIMUM EQUIPMENT AND STATIONERY REQUIREMENTS OF FOREIGN EXCHANGE BUREAUX DE CHANGE**

1. A sign clearly visible to customers of the foreign exchange bureau de change bearing the name of the bureau de change.
2. Counterfeit notes-detecting machine or pens.
3. Sales and purchases receipt books, including general ledger accounts.
4. The appropriate passport stamp for endorsing amounts of foreign currency sold.
5. A money deposit safe.
6. Adequate computer equipment to facilitate the efficient processing of transactions, record keeping and reporting.
7. An electronic rate-board showing the daily exchange rates for any currency traded by the bureau de change.

Second Schedule (Section 8 (1))

## **BUSINESS AND HOLIDAY TRAVEL ALLOWANCES THAT MAY BE ISSUED BY FOREIGN EXCHANGE BUREAUX DE CHANGE**

### **PART I BUSINESS TRAVEL ALLOWANCES**

1. Subject to this paragraph, the equivalent of up to US\$500 a day (or such other amount as may be directed by the Reserve Bank from time to time) may be issued as a business travel allowance, where—



- (a) the applicant is a business organisation; and
- (b) the journey concerned is to be undertaken solely in connection with the applicant's business.

2. A foreign exchange bureau de change shall not issue a business travel allowance under this paragraph unless a letter from an authorised dealer is produced to it confirming the amount that may be issued under this Part, and that the authorised dealer—

- (a) is satisfied as to the purpose and justification of the journey; and
- (b) obtained from the applicant—
  - (i) an itinerary accounting for each working day of the journey; and
  - (ii) a breakdown of the amount requested; and
  - (iii) where more than one person will be going on the journey, an assurance that the number of travellers is consistent with the nature of the journey:  
and
- (c) where the journey is being undertaken to attend a conference or seminar, obtained documentary evidence as to the nature of the conference or seminar, its duration and an indication of the benefits likely to accrue to the applicant from attending it; and
- (d) is satisfied the amount that may be issued under this Part is no more than is sufficient to meet the reasonable expenses of the traveller in the course of his journey.

3. A business travel allowance must be issued in travellers' cheques, except for the equivalent of up to US\$500 which may be issued in foreign currency notes and coin.

## **PART II HOLIDAY TRAVEL ALLOWANCES**

1. The equivalent of up to US\$5 000 (or such other amount as may be directed by the Reserve Bank from time to time) in any calendar year for any one individual may be issued as a holiday travel allowances.

2. Where an immigrant in possession of a residence permit has been resident in Zimbabwe for less than a year, the amount issuable under paragraph 1 must be reduced proportionately.

3. The applicant's passport must be endorsed with each amount issued under paragraph 1, and no amount may be issued against an emergency travel document.

4. A holiday travel allowance must be issued in travellers' cheques, except for the equivalent of up to US\$500 which may be issued in foreign currency notes and coin.

5. The holder of an individual foreign currency account may be issued with the amount referred to in paragraph 1 even if he uses additional funds from his account for the purposes of travel.

6. Holiday travel allowances issuable under this Part may not be accumulated from one calendar year to the next, nor may they be availed of in advance that is to say an individual may not be issued with an allowance for the following calendar year in respect of a journey that will be undertaken wholly in the current year.