

**Exchange Control (Tobacco Finance) Order, 2001
SI 153B of 2001**

**[Gazetted on the 24th April, 2001 — replacing RBZ Directive 6th February, 2001]
[amended by 110D of 2002 gazetted on the 10th of May, 2002]**

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 and Economic Development, has made the following order:—

ARRANGEMENT OF SECTIONS

Section

1. Title
2. Interpretation
3. Application
4. Financing of tobacco purchases by tobacco buyers
5. Financing of tobacco purchases by tobacco buyers not having access to offshore funds
6. Foreign currency obtained by accessing offshore funds for financing of tobacco purchases.
7. Authorised dealers to render returns
Schedule

Title

1. This order may be cited as the Exchange Control (Tobacco Finance) Order, 2001.

Interpretation

2. In this order—

“access”, in relation to onshore or offshore funds, means borrow, draw on or otherwise obtain such funds;

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

[inserted by S.I. 110D/2002 with effect from 10/5/02]

“Memorandum of Deposit Scheme” means the scheme operated by the Reserve Bank whereby the Reserve Bank provides a Zimbabwe dollar cash payment in favour of a borrower of offshore funds while such funds are held as security by the lender;

“offshore funds” means any funds, moneys, deposit, loan, line of credit, advance from a customer or parent company or other funds or facility whatsoever located or obtainable outside Zimbabwe;

“onshore funds” means any funds, moneys, deposit, loan line of credit, advance from a customer or parent company or other funds or facility whatsoever located or obtainable within Zimbabwe;

“tobacco auction floor” means premises for the sale of tobacco;

[inserted by S.I. 110D/2002 with effect from 10/5/02]

“tobacco buyer” means a person who is—

(a) licensed or required to be licensed under the Tobacco Marketing and Levy Act [Chapter 18:20] as a buyer of auction tobacco, or

(b) registered or required to be registered under the Tobacco Marketing and Levy Act [Chapter 18:20] as an authorised buyer of auction tobacco.

Application

3. This order shall apply to every tobacco buyer involved in the purchase of tobacco.
[amended by S.I. 110D/2002 with effect from 10/5/02]

Financing of tobacco purchases by tobacco buyers

4. (1) Notwithstanding subsection (1) of section 4 of the Exchange Control Regulations, 1996, but subject to subsection (2) of section 4 of those regulations—

(a) all tobacco purchased on any tobacco auction floor in Zimbabwe shall be paid for in United States dollars; and

(b) subject to subsection (2), every tobacco buyer shall access only offshore funds for the purpose of purchasing tobacco.

(2) Where a buyer satisfies the Reserve Bank that he is not capable of accessing any offshore funds, he may apply through an authorized dealer to the Reserve Bank to participate in the Memorandum of Deposit Scheme for the purpose of purchasing tobacco on any tobacco auction floor in Zimbabwe.

(3) For the avoidance of doubt it is declared that no tobacco buyer shall, for the purpose of purchasing tobacco on any tobacco auction floor in Zimbabwe—

(a) draw on its corporate foreign currency account; or

(b) purchase, borrow or raise foreign currency funds from onshore funds, the interbank market, an authorised dealer or any domestic source whatsoever.

[substituted by S.I. 110D/2002 with effect from 10/5/02]

Financing of tobacco purchases by tobacco buyers not having access to offshore funds

5.

[repealed by S.I. 110D/2002 with effect from 10/5/02]

Foreign currency obtained by accessing offshore funds for financing of tobacco purchases.

6. (1) Authorised dealers shall comply with such directions as may be given to them by the Reserve Bank relating to any foreign currency that comes into their possession as a result of the accessing of offshore funds in terms of this order.

(2) A tobacco buyer may retain the export proceeds realised from the sale of exported tobacco (net after deduction in respect of the repayment of any moneys accessed from offshore funds) in his foreign currency account.

Authorised dealers to render returns

7. Every authorised dealer shall, before the end of working hours every Tuesday, complete and furnish to the Reserve Bank a loan draw down return relating to the preceding week in the form set out in the Schedule.

Schedule (Section 7)

TOBACCO LOAN DRAW DOWN RETURN

Reporting Authorised Dealer

Report for the week ended

Tobacco Buyer Approved

loan amount Loan drawn down

(local and foreign) Allocations as directed in terms
of section 6(1) Pending draw downs

Date Amount Noczim/Zesa RBZ Market Other