



PRESS STATEMENT ON VIOLATION OF THE BANKING ACT [CHAPTER 24:20] BY PEOPLE'S OWN SAVINGS BANK (POSB)


The Reserve Bank of Zimbabwe (Reserve Bank) would like to advise the public that on 27 November 2016 POSB violated the provisions of Section 76(2) of the Banking Act [Chapter 24:20].

More specifically, POSB unlawfully and without permission, took images of bond notes in its vaults and distributed and publicised the images via social media. The wrongful and deplorable conduct of POSB was also in defiance of advice and warning against such abuse of bond notes made public by the Reserve Bank through a press statement issued on 26 November 2016. The press statement was preceded by a meeting between the Governor and the CEOs of banks held on 25 November 2016 at which meeting it was emphasised that abuse of bond notes and any information relating thereto would not be tolerated.

POSB has thus abused and breached the confidentiality and secrecy it was enjoined to maintain in respect of the information and material (bond notes) provided to it by the Reserve Bank in the performance of its functions.

The serious offence committed by POSB has impacted negatively on the integrity and reputation of the Reserve Bank and caused unnecessary anxiety and discomfort in the market.

The Reserve Bank advises the public that as a consequence of the said transgressions, it has imposed an administrative fine of US\$500 000.00 on POSB. The employees of POSB who took, publicised and distributed the images on social media have been dismissed with immediate effect.


Dr J P Mangudya
Governor

28 November 2016