



PRESS STATEMENT

UPDATE ON ACTION TAKEN AGAINST CERTAIN ENTITIES FOR ABUSE OF THE FOREIGN EXCHANGE AUCTION SYSTEM, EXCHANGE RATE MANIPULATION AND FLOUTING OF EXCHANGE CONTROL RULES AND REGULATIONS

The Bank wishes to inform members of the public of the following corrective and punitive actions that have since been taken against some entities for abuse of the Foreign Exchange Auction System, manipulation of the exchange rate and non-compliance with exchange control rules and regulations:

- (1) In addition to the 18 entities named in the Press Statement of 15 June 2021, 21 more entities have been investigated by the Bank and Financial Intelligence Unit and found guilty of various breaches that include transfer pricing, use of fraudulent import documentation, failure to bank cash and conducting illegal foreign exchange transactions.
- (2) Of the total of 39 entities, 27 have been fined to date and 12 have been issued with written warnings for aiding or abetting flouting of exchange control rules and regulations.

The punitive measures include prohibitions from participation in the foreign exchange auctions until the full payment of the fines imposed or permanent blacklisting from participation in the foreign exchange auctions, depending on the seriousness of the breach.

John P Mangudya
Governor

9 July 2021