



**EXCHANGE CONTROL CIRCULAR NO. 7 OF 2020
TO AUTHORISED DEALERS**

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

OFFSHORE FINANCE FACILITIES FOR TOBACCO PRODUCTION

1. In terms of Section (5), Sub section (1) and paragraph (a) of the Exchange Control Tobacco Finance Order, published in Statutory Instrument 64 of 2004, tobacco merchants are allowed to drawdown from their approved offshore finance facilities for the purposes of financing tobacco production using 100% of the loan drawdowns.
2. With immediate effect, Authorised Dealers are advised that for all approved offshore finance facilities for tobacco production, the respective funds should be remitted into the country prior to effecting any payments for inputs consistent with the manner in which all other exporters conduct their foreign exchange transactions.
3. In cases where a merchant intends to procure or import agricultural inputs and/or equipment, the respective foreign payments for such inputs shall be administered by Authorised Dealers in line with current guidelines for foreign payments. This means that foreign payments by tobacco merchants will be done by Authorised Dealers upon submission to the banks of the relevant supporting documentary evidence (i.e. invoices).
4. These foreign payments shall be acquitted using Bill of Entry (BoEs) as confirmation of receipt of goods in the country, which documentation and Exchange Control authority numbers, shall be critical for consideration of any set off requests.
5. Please be guided accordingly.

A handwritten signature in black ink, appearing to read "F Masendu".

F Masendu
Director

EXCHANGE CONTROL

4 September 2020