



EXCHANGE CONTROL CIRCULAR NO. 3 OF 2021

TO: AUTHORISED DEALERS WITH LIMITED AUTHORITY (ADLAs)

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

1. INTRODUCTION

1.1 Reference is made to the Governor's Press Statement on 20 April 2021 on the measures put in place to support Micro, Small and Medium Size Enterprises (MSMEs) and individuals who require foreign currency for their various productive requirements at levels below the minimum qualifying threshold of the SME foreign exchange auction system.

2. OPERATIONAL GUIDELINES

2.1 In order to operationalize the measures highlighted in the Press Statement announced on 20 April 2021, *bureaux de change* are advised as follows: -

- i. *Bureaux de Change* shall buy foreign currency from the Bank at a prescribed limit on **Wednesdays** at the ruling weighted average exchange rate with effect from 21 April 2021;
- ii. *Bureaux de Change* shall on-sell foreign currency to Micro, Small and Medium Size Enterprises (MSMEs) and individuals at a margin of not more than **8%** of the weighted average exchange rate;
- iii. A limit of up to **USD500.00** per transaction per individual or MSME per day shall apply;
- iv. Foreign currency shall be sold for the purpose of international payments and travel and, shall be supported by invoices or travel documents as per Operational Guidelines for Bureau de Change issued in December 2019. Copies of invoices or

- passport endorsed with the amount purchased shall be attached when transacting on the system;
- v. All foreign currency trading transactions must be reported real-time on the Bureau De Change Transactions Reporting System (BDCTRS). *Bureaux de Change* must ensure that they capture National Identity or passport number for individuals or Company Number as it appears on the Form No. CR14;
 - vi. *Bureaux de Change* are advised that the BDCTRS has been configured to reject repeated or transactions of more than **USD500.00** by the same individual or company on the same day;
 - vii. SMES and individual shall acquit funds previously purchased from bureau de change through providing proof of funds transfer or immigration stamped passport before accessing more funds. The acquittal shall be done at any bureau de change at the point of subsequent purchasing of foreign currency. For the avoidance of doubt bureau de change shall not sell foreign currency to any natural or legal person without the required proof;
 - viii. In addition to the reporting of all foreign currency trading on the BDCTRS, bureaux de change are required to submit every Tuesday, a weekly Auction Funds Utilization return, which details all sales transactions done during the preceding week using auction funds (See attachment).
3. Bureaux De Change are required to comply with Exchange Control rules and regulations when transacting, failure of which results in revocation of ADLA licence.

Please be guided accordingly.



F. Masendu
Director

EXCHANGE CONTROL



Bureau De Change - Auction Funds Utilisation Form

Name of Bureau De Change:

Amount Allocated by RBZ (USD):

Date of Allocation

Date	Branch	Customer Name	Currency	Amount Sold	USD Equivalent	Balance from RBZ Allocation
						0
						0
						0
						0

DECLARATION BY AUTHORISED DEALER: The Bank declares that the information contained in this form is in its entirety true and correct. This declaration is made in compliance with the provisions of Section 41 of the Exchange Control Regulations, Statutory Instrument 109 of 1996. I acknowledge that providing false information is a breach of Paragraph B of subsection (1) of Section 5 of the Exchange Control Act Chapter 22.05 and doing so will render me liable to prosecution under the Act.

Authorised Signatory

Authorised Signatory