



EXCHANGE CONTROL CIRCULAR NO. 8 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 recent announcement by the Monetary Policy Committee (MPC) on 28 October 2021, and in particular items **(viii)** to item **(xi)** on the sale of funds by *bureaux de change* to the public. In order to operationalize these issues as announced by the MPC, *bureaux de change* are advised of the following measures for implementation, effective 04 November 2021.

2. Mobile *bureaux de change*

2.1 For ease and flexible access to foreign currency by communities where there are no physical access points, including rural areas, *bureaux de change* may register with Exchange Control to operate mobile branches. These mobile branches shall be operated by dedicated teams approved by Exchange Control.

3. Promoting the Use of E-Wallets and electronic transfers

3.1 *Bureaux de change* are encouraged to create the necessary synergies with banks and mobile network service providers to facilitate electronic transfers for foreign currency purchases directly into accounts and e-wallets for their transacting clients. This will enhance transparency and financial inclusion.

3.2 *Bureaux de change* are, therefore, requested to provide their strategies and progress on this initiative to Exchange Control by 10 December 2021.

4. Review of Thresholds of Foreign Currency Purchases from *bureaux de change*

- 4.1 In line with the MPC statement, the following thresholds shall apply with immediate effect on the sale of foreign currency to the public: -
- i. Individuals purchasing foreign currency for domestic utilization may make a **onetime purchase** of up to USD100 per person per month. Once a person chooses this window, they will not qualify for the USD50.00 purchase per person per week;
 - ii. The USD50.00 purchases per person per week will continue for those individuals requiring access on a weekly basis; and
 - iii. Micro, Small and medium Enterprises (MSMEs) and individuals shall with immediate effect, now only be allowed to make **onetime** purchases of foreign currency of up to **USD500 per person per month** for international payments, including funds for business and personal travel allowance.

5. Exchange Control Compliance

- 5.1 *Bureaux de change* are required to strictly comply with all Exchange Control regulations and implement know your Customer (KYC) through matching customers to tendered identity documents. Under no circumstances shall a *bureau de change* sell foreign currency to a customer with no matching identity as well as transactions handled through third parties.
- 5.2 Any form of non-compliance shall be dealt with in terms of Section 5 (1)(a) (i) and (ii) of the Exchange Control Act [**Chapter 22:05**] which requires persons to comply with, among others, the terms or conditions of any permit, authority, permission, direction, notice, order or other instrument made or issued under or by virtue of the Act.

Please be guided accordingly.



F. Masendu
Director

EXCHANGE CONTROL

04 November 2021