



## **EXCHANGE CONTROL DIRECTIVE RU131/2019**

27 September 2019

The Chief Executive Officer  
Bank  
Location  
Street  
**HARARE**

### **ATTENTION: CHIEF EXECUTIVE OFFICER**

Dear Sir/Madam,

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

#### **Introduction**

1. Reference is made to the Press Statement published by the Reserve Bank of Zimbabwe on 20 September 2019 on measures to refine the operations of Bureaux de Change. We also make reference to the Operational Guidelines for Bureaux De Change issued in February 2019, which have now been revised to provide instructions and directions to persons carrying out the business of Bureau de Change in Zimbabwe.
2. In order to operationalize the measures highlighted in the Press Statement announced on 20 September 2019, Authorised Dealers and Bureaux de Change, including those owned by mobile network operators, are advised as follows: -

#### **The Willing Seller Willing Buyer Principle**

3. The willing-seller willing-buyer principle for foreign currency trading shall continue to apply and the interbank mid-rate shall be the principal reference rate for all foreign currency trading.
4. The spread of interbank foreign currency buying and selling by Authorised Dealers shall be at a margin shall not exceed 3% of the interbank mid-rate and for Bureaux de Change, the margin shall not be more than 5% of the interbank mid-rate. These margins are

inclusive of commissions and fees. The Reserve Bank of Zimbabwe shall continue to publish the daily interbank mid-rate for foreign currency trading.

5. In line with Section 3 (1) (c) of the Exchange Control (Authorised Dealers with Limited Authority), Order 2015, Statutory Instrument 104 of 2015, all bureaux de change transactions shall be settled on spot basis and the Zimbabwe Dollar settlement shall be done directly into customer's bank/electronic accounts or debit cards and shall not be in cash, vouchers or in-kind.
6. In addition, the bureau de change shall not enter into twining arrangements with customers to prefund foreign currency purchases or settle to third parties (legal or natural persons) other than the customer. For the avoidance of doubt, in-store bureaux de change shall be independent and not be a partner or an extension of the shops/retailers they are housed.

#### **Retention of Foreign Currency Purchased from the Interbank Market**

7. Further to Section 3 of Exchange Control Directive RU80/2019 of 22 May 2019, Authorised Dealers are reminded that purchases of foreign exchange on the interbank market shall only be for funding bona-fide external payments and against accounts that are adequately funded with the respective local currency equivalency. In addition, Authorized Dealers shall effect the external payments within 24hrs from the date of purchase of the foreign currency on the interbank market.
8. Bureaux de Change shall hold a float of not more than an aggregate of USD20,000 and any excess amounts should be sold to an Authorised Dealer within 24 hours.

#### **Permissible Transactions for Bureaux De Change**

9. With immediate effect, Bureaux de Change shall **only** conduct the following transactions:-
  - i. Buy foreign currency from **individuals only**. Purchases of up to maximum of USD 300 shall not require customer identification. All transactions above this threshold shall, however, require copies of customer identities.

- ii. Sell foreign currency to individuals for **foreign personal travel only**, upon submission of a valid passport which the bureau de change shall stamp and endorse with the amount of Personal Travel Allowance provided. In line with KYC, the bureau de change should keep records of such transactions. The current cash limits for Personal Travel Allowance of USD300 per day, per travel, and up to a maximum of USD10, 000 (inclusive of flight/road expenses) per year, should strictly be adhered to.
10. For the avoidance of doubt, Bureaux de Change **SHALL NOT** transact with corporates and Small to Medium Enterprises (SMEs) or sell foreign currency for Business Travel Allowance.

### **Display of Foreign Exchange Rates**

11. In line with Section 9 (7) of the Exchange Control (Authorised Dealers with Limited Authority), Order 2015, Statutory Instrument 104 of 2015 all Bureaux de Change shall visibly display the prevailing buy and sell exchange rates on rate boards. In addition, the bureau de change shall issue customers with transaction receipts indicating the exchange rates and commission/fees applied on the transaction.

### **Reporting to Exchange Control**

12. Bureaux de change shall continue to submit to Exchange Control through EC Form DTP, all foreign currency purchases and sales on a daily basis, at 1000 hours for transactions conducted on the previous day consistent with the provisions of Section 3.8 of Exchange Control Circular No.8 of 2019.
13. In addition, bureaux de change shall submit foreign currency exchange rates to Exchange Control three (3) times a day, that is at 09:00 hours, 12:00 hours and at 15:00 hours on a daily basis.
14. Failure to comply with these reporting requirements will be a violation of Section 9 (9) (d) of the Exchange Control (Authorised Dealers with Limited Authority), Order 2015, Statutory Instrument 104 of 2015.

15. Going forward, reporting of all bureaux de change transactions shall be done on line through a system to be rolled out to all foreign exchange market participants. Bureaux de change, are therefore, required to build capacity to link with this foreign exchange trading system.

### **Know Your Customer (KYC) and Compliance**

16. All bureaux de change, including mobile network operator based, shall be required to put in place appropriate Know Your Customer (KYC) and anti-money laundering measures to ensure the integrity of the foreign exchange market.

### **Conclusion**

17. Authorised Dealers and bureau de change are required to comply with the provisions of this Exchange Control Directive which is issued in terms of Section 35 (1) of the Exchange Control Regulations Statutory Instrument 109 of 1996. In addition, the bureaux de change should acquaint themselves with the provisions of the revised Operational Guidelines for Bureaux de Change of September 2019 which are attached to this Exchange Control Directive.
18. Failure to comply with these provisions is a violation of Section 5 (1) (a) (ii) of Exchange Control Act [Chapter 22:05], the penalties of which are covered in the supporting Exchange Control Statutory Instruments.

Please be guided accordingly.

Yours Faithfully,



F. Masendu

**Director**  
**EXCHANGE CONTROL**

**Cc: Head, Exchange Control**  
**Head, Treasury**