



FOREIGN EXCHANGE DIRECTIVE FXD4/2025

8 August 2025

The Chief Executive Officer

Bank Name

Location

Street Name

HARARE

ATTENTION: CEO NAME

FOREIGN EXCHANGE DIRECTIVE 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 Mid-Term Monetary Policy Statement dated 7 August 2025, issued by the Governor of the Reserve Bank, which announced measures designed to durably anchor and consolidate the prevailing exchange rate and price stability.
- 1.2 In the context of this Mid-Term Monetary Policy Review Statement, this Directive restates and emphasizes the requirement for compliance by Authorised Dealers on some measures communicated in February 2025, through the Foreign Exchange Directive FXD1 dated 7 February 2025.
- 1.3 In order to provide clarity and operationalize the policy measures announced therein, Authorised Dealers are advised as follows:

2. Exporters' Foreign Currency Retention Threshold

- 2.1 Authorised Dealers are advised that the foreign currency retention level on export receipts has been maintained at 70%. Accordingly, the export receipts surrender portion, which is currently at 30%, is maintained.

3. Foreign Currency Trading Margins

- 3.1 In line with the Interbank Foreign Exchange Guidelines, contained in the *Guidelines to Authorised Dealers and their Clients on Foreign Exchange Transactions (FXD3)* dated 9 May 2025, Authorised Dealers are reminded to apply international best practices regarding the application of the foreign exchange trading margins in the buying and selling of foreign currency.

4. Compliance with Trade and Investment Regulations

4.1 Compliance Requirements

- 4.1.1 The Reserve Bank has, through its routine offsite and onsite compliance, monitoring and enforcement inspections, observed recurring incidences of non-compliance with foreign exchange rules and regulations by Authorised Dealers, Authorised Dealers with Limited Authority (ADLAs), corporates and individuals. These incidents, which contravene the established regulatory framework, undermine the conduct of trade and investment transactions, and compromise the integrity of the financial sector.

- 4.1.2 Prevalent and notable violations observed through routine offsite and onsite compliance monitoring and enforcement inspections include, but are not limited to, the following: -

- i. Non-acquittal of export and import documentation within prescribed timelines;
- ii. Non-application of surrender requirement on export receipts and within prescribed timeline;
- iii. Falsification of export and import documentation;
- iv. Non-registration of external loans and Service Agreements;
- v. Establishment of cross-border investments without prior approval by the Reserve Bank;
- vi. Under valuation of exports and over-pricing of imports (mis-invoicing);
- vii. Non-reporting and/or non-submission of statutory returns on approved trade and investment transactions;
- viii. Wrong classification and coding of trade and investment transactions; and
- ix. Abuse of the Willing-Buyer Willing-Seller Interbank Market.

- 4.1.3 To therefore ensure compliance with the above-highlighted violations, Authorised Dealers are reminded of the following key compliance parameters:

- (i) **Non-acquittal of export and import documentation within prescribed timelines** - Authorised Dealers, corporates and individuals are required to acquit foreign payments within ninety (90) days from the transaction date and export receipts within ninety (90) days of shipment date, unless otherwise authorised by the Reserve Bank;

- (ii) **Non-application of surrender requirement on export receipts within prescribed timeline** - Authorised Dealers are required to sell to the Reserve Bank the statutory surrender portion (currently at 30%) **immediately on receipt of the export proceeds** and/or within 24 hours and declare daily to the Financial Surveillance Division on the EC Form Exporters' Retention.
- (iii) **Falsification of export and import documentation** - Foreign exchange market participants must ensure that all documents are authentic. Falsification of documents is an offence in terms of Section 5(1)(b) of the Exchange Control Act [*Chapter 22:05*];
- (iv) **Non-registration of external loans and Service Agreements** - Authorised Dealers, corporates and individuals are required to register foreign loans, Service Agreements, investments and any other foreign obligations;
- (v) **Establishment of cross-border investments without prior approval by the Reserve Bank** – All corporate foreign investments are required to be registered and authorised by the Reserve Bank prior to execution. Resident individuals are allowed to invest offshore up to a maximum of US\$50 000 per annum without Reserve Bank approval;
- (vi) **Under valuation of exports and over-pricing of imports (mis-invoicing)** - Authorised Dealers must ensure that there are no cases of over-invoicing of imports and underpricing of exports by their clients thereby promoting transfer pricing;
- (vii) **Non-reporting and non-submission of statutory returns on approved trade and investment transactions** - Authorised Dealers are required to adhere to the terms and conditions of approval contained in the *Guidelines to Authorised Dealers and their Clients on Foreign Exchange Transactions*, and should submit statutory returns as prescribed;
- (viii) **Wrong classification and coding of trade and investment transactions** - Authorised Dealers are required to ensure correct classification and coding of transactions on Returns submitted to the Reserve Bank in line with the issued Guidelines; and
- (ix) **Abuse of the Willing-Buyer Willing-Seller (WBWS) Interbank Market** - Authorised Dealers are required to enhance their KYC/CDD/ECDD to avoid corporates' masking of borrowed funds through multiple bank transfers culminating in the abuse of the WBWS interbank foreign exchange market. Authorised Dealers are required to conduct prudential analysis of their client's supporting documentation for accessing foreign currency on the WBWS foreign exchange interbank market, to prevent 'double dipping' and foreign payments not supported by *bona-fide* invoices and/or shipping documents.

4.2 Penalties for Non-Compliance with Foreign Exchange Regulations

- 4.2.1 Authorised Dealers, Authorised Dealers with Limited Authority, corporates and individuals are advised that failure to comply with foreign exchange rules and regulations will result in corrective action being taken on such matters of non-compliance. Such corrective actions include the imposition of dissuasive and effective penalties which have been revised upwards to 1% of the transaction amount or one hundred thousand United States dollars (US\$100,000.00 or ZiG equivalent), whichever is greater.
- 4.2.2 Additionally, the Reserve Bank reserves the right to suspend or revoke the foreign exchange trading licence of any Authorised Dealer or Authorised Dealer with Limited Authority found in violation.
5. Authorised Dealers, Authorised Dealers with Limited Authority and Corporates are, therefore, required to put in place adequate internal control systems to ensure compliance with foreign exchange rules and regulations. Where there are gaps and identified areas of non-compliance, the Reserve Bank shall capacitate market players through relevant capacity building initiatives.
6. The policy measures contained in this Directive have been incorporated into *Version 1.2* of the *Foreign Exchange Guidelines to Authorised Dealers and their Clients on Foreign Exchange Transactions*, and the respective Guidelines are accessible on the Reserve Bank website.
7. Please be guided accordingly.



Dr T Chitauro
Director

CAPITAL FLOWS ADMINISTRATION, ACCOUNTING & MANAGEMENT

RESERVE BANK OF ZIMBABWE
HARARE

8 AUGUST 2025

DIRECTOR
CAPITAL FLOWS ADMINISTRATION,
ACCOUNTING & MANAGEMENT

cc: Mr F Masendu, Director, Financial Surveillance, RBZ
Mr E Matiza, Director, Financial Markets, RBZ
Name, Head, Exchange Control and International Banking, Bank Name
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