



## PRESS STATEMENT

### UPDATE ON COMPLIANCE WITH STATUTORY INSTRUMENT 127 OF 2021

The Reserve Bank of Zimbabwe (the Bank) wishes to advise members of the public that over the past two weeks it has engaged a number of business associations and entities to discuss the modalities for compliance with Statutory Instrument 127 of 2021 (SI 127). The Bank would like to express its appreciation to the business community for the valuable feedback during the engagements which have culminated in business's clearer understanding of the essence of SI 127.

The Bank has a duty of care to ensure that the significant progress that the economy made since the introduction of the foreign exchange auction system in June 2020 continues on an unabated positive trajectory whilst at the same time protecting consumers and fostering compliance to engender fair play in the economy. It is against these noble objectives that SI 127 was put in place to provide for penalties against errant entities that were at the forefront of abusing the foreign exchange auction system to the detriment of the stability of the economy.

Accordingly, after investigations by the Financial Intelligence Unit and the Bank's Exchange Control Division, the entities listed hereunder which were abusing the foreign exchange auction system shall be dealt with in accordance with SI 127.

Going forward and in line with the recommendations from the business community on the need to continue to enhance stability in the economy, the Bank's efforts to foster compliance in terms of SI 127 shall be limited to outliers that wantonly abuse the foreign exchange auction system, exchange rate manipulation and non-compliance with anti-money laundering rules and regulations. The Bank's focus on these key areas, coupled with business's reality check, self-discipline, self-monitoring and peer-review, will sustain inflation and exchange rate stability that are necessary for the economy to continue to rebound.

#### ENTITIES FACING PENALTIES FOR ABUSING THE FOREIGN EXCHANGE AUCTION SYSTEM

- |  |                                  |
|--|----------------------------------|
| 1. National Foods (Pvt) Ltd                          | 10. Natural Stone Export Company |
| 2. Georgia Petroleum (Pvt) Ltd                       | 11. Nuvert Trading               |
| 3. Tettola Investments (Pvt) Ltd                     | 12. Phirebrook Investments       |
| 4. Africa Steel (Pvt) Ltd                            | 13. Classic Energy               |
| 5. Westville Investments (Pvt) Ltd (T/A Omni Africa) | 14. Clorex Energy                |
| 6. Flicknik Enterprises (Pvt) Ltd                    | 15. Explochem                    |
| 7. Duo Valley Commodity Brokers                      | 16. Mutare Mart & Exchange       |
| 8. Fairclot Investments                              | 17. Souzrce Fuels                |
| 9. GlenuLas Trading                                  | 18. Kimya Investments            |

**John P Mangudya**  
Governor

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