



PRESS STATEMENT

RESOLUTIONS OF THE MONETARY POLICY COMMITTEE MEETING HELD ON 7 JANUARY 2021

The Monetary Policy Committee (MPC) of the Reserve Bank of Zimbabwe (the Bank) met on 7 January 2021 and deliberated on measures to refine and enhance the sustainability of the Foreign Exchange Auction System.

The MPC made the following resolutions in respect of surrender and liquidation of foreign exchange receipts: -

- (a) To remove the compulsory requirement to liquidate all unutilised export proceeds after 60 days, with immediate effect.
- (b) To increase the Export Surrender Requirement from 30% to 40% on all export receipts, with immediate effect.
- (c) To maintain the liquidation requirement for domestic foreign exchange sales at 20% net of sales tax, with Authorised Dealers required to remit funds to the Bank in the currency of receipt.
- (d) To ensure that the allotment of foreign currency on the Foreign Exchange Auction and Interbank market continues to be guided by the priority list which places productive imports (raw materials, consumables and capital goods) ahead of foreign exchange requirements for services, education and portfolio investment.

The MPC also made the following resolutions in order to enhance the role of bureaux de change in the foreign exchange market: -

- (a) To reduce the portion of balances to be sold on the Foreign Exchange Auction by bureaux de change from 80% to 40% in line with the export surrender requirement for exporters.
- (b) To increase the maximum allowable margin on small transactions to be charged by bureaux de change from 5% to 8%.
- (c) To revise the daily maximum limit per transaction to US\$2000 at bureaux de change level to cater for foreign exchange requirements for individuals, micro and small to medium enterprises in accordance with the foreign currency priority list.
- (d) To affirm that bureaux de change are allowed to purchase foreign currency from individuals and companies without limit subject to Know Your Customer (KYC) principles and anti-money laundering requirements.
- (e) To reiterate that all bureaux de change foreign exchange transactions shall be done through the Bank's Bureau de Change Transaction Reporting System.

The Bank will continue to review and refine measures to enhance the sustainability of the Foreign Exchange Auction System which has been critical in anchoring the management of foreign currency and price and financial system stability in Zimbabwe.


John P Mangudya
Governor

8 January 2021