



## **PRESS STATEMENT**

### **WARNING AGAINST BUSINESSES ENGAGING IN EXCHANGE RATE MANIPULATION**

The Financial Intelligence Unit (FIU) has noted with grave concern that some businesses are engaging in illegal forward pricing practices thereby manipulating the foreign exchange rate.

In terms of the law, businesses are permitted to apply a margin of up to 10% above the interbank exchange rate. There is no justification for non-compliance with the legal margins in light of the recent implementation of a market determined interbank exchange rate system. The forward pricing and non-compliance with legal limits is being done at the detriment of the consumers who bear the brunt of the resultant unjustified pricing of goods and services.

With immediate effect, the FIU will be escalating and widening remedial and punitive measures against delinquent businesses by not only imposing administrative fines but also directing that culprits' bank accounts be frozen indefinitely and referring the culprits to relevant authorities for the suspension/revocation of trading or operating licenses and prosecution. Liability will also be extended to directors and owners of the concerned businesses.

The FIU wishes to thank members of the public who have come forward to report non-compliance by certain businesses and urges the public to continue providing information on non-compliance via the FIU WhatsApp hotline numbers 0780 434 475 and 0719 207 310.

**Financial Intelligence Unit**

**9 June 2023**