



## **EXCHANGE CONTROL CIRCULAR NUMBER 03 OF 2023 TO AUTHORISED DEALERS**

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

Reference is made to Exchange Control Directive RY002 dated 03 February 2023, Exchange Control Clarification Notes 1 & 2 of 17 February 2023 and 23 May 2023 respectively, and the Press Statement on Measures to Stabilise the Exchange Rate and Macro Economy announced by the Minister of Finance and Economic Development on 11 May 2023. In order to operationalise the policy measures contained in the Press Statement, Authorised Dealers are advised as follows: -

### **1. 100% Retention of Foreign Currency Domestic Sale Proceeds**

Authorised Dealers are advised that with effect from 15 May 2023, corporates can now retain 100% of foreign currency receipts from domestic sales for an indefinite period. These foreign currency receipts may be used to cater for both local and external requirements in line with existing Exchange Control regulations and guidelines. Any provision regarding the administration of surrender requirements on domestic sales, as contained in any previously issued Exchange Control Directive(s) or Circular(s), is hereby set aside and superseded by this Circular.

### **2. Refinement of the Foreign Exchange Auction System**

The Foreign Exchange Auction System will be refined to the extent that the Bank shall, as forward guidance, advise the market of the foreign exchange resources available

for every coming auction. Accordingly, the Bank will announce the amount available for allotment on Wednesdays for banks to process Auction bids for submission by Friday. Settlement of the allotted amounts will continue to be T+14 (that is 14 days from the date of auction) as guided by the current auction rules.

### **3. Compliance Monitoring**

Corporates receiving cash sales are advised to deposit their sale proceeds with their bankers in line with the Bank Use Promotion Act [Chapter 24:24] and regulations. The Bank, in collaboration with the Financial Intelligence Unit (FIU), shall ensure that appropriate corrective measures and sanctions are taken against non-compliant corporates.

Please be guided accordingly.



F. Masendu

Director

**EXCHANGE CONTROL**

**12 May 2023**