[**CAP. 22:05**

Exchange Control (Control of Payments) (Charge on Specified Outbound Foreign Currency Payments) Regulations, 2023

WHEREAS the protection of the domestic currency is an aspect of monetary sovereignty exercisable by the President by virtue of his prerogative powers;

AND WHEREAS the value of the Zimbabwe dollar is largely pegged to the value of recognised foreign currencies commonly used as a means of international payments;

AND WHEREAS the volume of outbound payments made from Zimbabwe in those foreign currencies is exerting substantial downward pressure on the value of the Zimbabwe dollar;

AND WHEREAS the burden of servicing our foreign debt also puts an indirect but significant strain on the value of the Zimbabwean dollar;

AND WHEREAS it is desirable to mitigate such pressure by imposing as a temporary measure a charge on such payments:

NOW, THEREFORE HIS Excellency the President, in terms of section 2 of the Exchange Control Act [*Chapter 22:05*], has made the following regulations:—

Title and duration of regulations

1.(1) These regulations may be cited as the Exchange Control (Control of Payments) (Charge on Specified Outbound Foreign Currency Payments) Regulations, 2023.

(2) These regulations shall have effect for six months from the date of their promulgation.

Interpretation

2. (1) In these regulations—

"chargeable foreign currency payment" does not include a payment outside Zimbabwe for the purchase of fuel and electricity;

"Debt Redemption Sinking Fund" means the fund established in terms of section 32 of the Public Debt Management Act [*Chapter 22:21*];

"financial institution" means—

(a) any banking institution registered or required to be registered in terms of the Banking Act [*Chapter 24:20*]; or

(b) any building society registered or required to be registered in terms of the Building Societies Act [*Chapter 24:02*]; or

(c) the Reserve Bank of Zimbabwe; or

(d) the People's Own Savings Bank of Zimbabwe established in terms of the People's Own Savings Bank of Zimbabwe Act [*Chapter 24:22*]; or

(e) the Zimbabwe Development Bank established in terms of the Zimbabwe Development Bank Act [*Chapter 24:14*]; or

(f) the successor company to the Agricultural Finance Corporation formed under the Agricultural Finance Act [*Chapter 18:02*]; or

(g) the postal company licensed in terms of section 113 of the Postal and Telecommunications Act [*Chapter 12:05*] to provide the postal services previously carried on by the Posts and Telecommunications Corporation established by the repealed Posts and Telecommunications Corporation Act [*Chapter 12:02*], or any person licensed in terms of the Postal and Telecommunications Act [*Chapter 12:05*] to provide postal services;

(h) any provider of a mobile banking service;

(i) the operator of a mobile money transfer platform (whether or not he or she or it is permitted or licensed to operate such a platform by a financial institution or cellular telecommunication or telecommunication service operator licensed or required to be licensed under the Postal and

Telecommunications Act [*Chapter 21:05*]), who carries on the business of facilitating the receipt of cash by any person ("the customer") by hosting on such platform the customer and the financial institution or cellular telecommunication or telecommunication service operator or any combination of the foregoing;

"outbound foreign payment" means a chargeable foreign currency payment using foreign currency obtained—

(a) from the Dutch Auction Foreign Currency Market operated by the Reserve Bank on a weekly basis; or

(b) from the interbank market operated by financial institutions;

to another person outside Zimbabwe.

Liability for collection of outbound foreign currency charge and destination thereof

3. (1) There shall be charged, levied and collected a charge on outbound foreign payments in accordance with these regulations at the rate of one *per centum* of the amount of the outbound foreign currency payment, up to a maximum of fifty thousand United States dollars (or the equivalent in any other foreign currency at the international cross rate of exchange prevailing on the time of the mediation) per transfer.

(2) Every financial institution shall withhold and remit to the Debt Redemption Sinking Fund the outbound foreign currency charge on each such transaction that the financial institution mediated.

Period within which outbound foreign currency charge to be paid and penalty for delay

4. (1) The outbound foreign currency charge shall be paid in terms of section 3(1) not later than the tenth day from date of the mediation.

(2) A financial institution that fails to remit to the Debt Redemption Sinking Fund any outbound foreign currency charge as provided in section 3(1) shall be liable to pay, in addition to the charge, a further amount equal to fifteen *per centum* of the unpaid charge.

Offence and penalty

5. Any financial institution that fails to comply with section 3(2) within the time specified in section 4(1) commits an offence and shall be liable to a fine equivalent to the amount that the financial institution failed to remit to the Debt Redemption Sinking Fund or, on failure to pay such fine, every director or member of the governing body of the financial institution shall be liable to imprisonment for a period of six months.

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