

Statutory Instrument 223 of 2002

Exchange Control (Exchange Rate) Direction, 2002

SIs. 223/2002, 83A/2003, 8/2004, 20/2004, 165B/2007, 135C/2008

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IT is hereby notified that the Minister of Finance and Economic Development has, in terms of section 35 of the Exchange Control Regulations, 1996, and after consultation with the Reserve Bank of Zimbabwe, made the following direction:—

1. Title

This direction may be cited as the Exchange Control (Exchange Rate) Direction, 2002.

2. Interpretation

(1) In this direction—

“foreign currency dealer” means—

- (a) an authorised dealer, other than the Reserve Bank; and
- (b) a foreign exchange bureau de change ;

“interbank rate of exchange means the interbank market rate of exchange between the Zimbabwe dollar and the United States dollar—as notified by the Reserve Bank;

[Definition inserted by s.i 135C of 2008]

“official transaction” means any transaction involving the conversion of United States dollars into Zimbabwe dollars of *vice versa* between—

- (a) Ministries, departments, arms or branches of the Government; or
- (b) a Ministry, department, arm or branch of the Government and a parastatal (other than a parastatal which the Minister, by notice in the *Gazette*, deems not to be a parastatal for the purpose of this definition, either generally or by reference to any official transaction or class of official transaction);

[Definition inserted by s.i 135C of 2008]

“parastatal” means any corporate body—

- (a) established by or in terms of any Act of Parliament for special purposes specified in that Act; or
- (b) owned or controlled by the State;

[Definition inserted by s.i 135C of 2008]

“international cross rates” means the rate of exchange between the Zimbabwe dollar and another foreign currency other than the United States dollar, as expressed in terms of the United States dollar; “mid-rate”

[Definition repealed by S.I .8 of 2004.]

(2) Any word or expression to which a meaning has been assigned in the Exchange Control Regulations, 1996, and the Exchange Control Order, 1996, shall have the same meaning when used in this direction.

3. Application

This direction shall apply—

- (a) to every foreign currency dealer ; and
- (b) to such other person and to such extent as may be specified by the Reserve Bank by order made in terms of section 40 of the Exchange Control Regulations, 1996.

4. Rate and maximum commission for foreign exchange transactions

(1) The rate at which the Zimbabwe dollar may be exchanged for the United States dollar shall be— (a) in the case of official transactions, thirty thousand Zimbabwe dollars to one United States dollar; (b) in

the case of the payment by any person of any tax, duty or charge under any law requiring the conversion of that tax, duty or charge that is denominated in United States dollars or (subject to section 5) in any other foreign currency denominated under the Exchange Control Order, 1996, interbank rate of exchange for the day before the day on which the tax, duty or charge must be paid;

(c) in any other case, the interbank rate of exchange prevailing on the day of the transaction concerned.

(2) The maximum commission, fee or charge that may be levied on any foreign exchange transaction shall be zero comma *five per centum* of the total nominal value, expressed in Zimbabwe dollars, of the foreign exchange transaction concerned.

[Section substituted by s.i 135C of 2008.]

5. Adherence to international cross rates

A foreign currency dealer shall apply the international cross rates prevailing on the day of the transaction on all foreign exchange transactions.

6. Prohibition against direct customer to customer transactions

A foreign currency dealer shall not permit or facilitate direct customer-to-customer transactions.

7. Repeal of General Notice 453C of 2000

General Notice 453C of 2000, published in the Gazette Extraordinary-dated the 5th October, 2000, is repealed.