

CIRCULAR **3 MARCH 2026**

FOREIGN EXCHANGE DIRECTIVE FXD5/2026

REFER ALL QUERIES TO EXCHANGE CONTROL

Reference is made to the Monetary Policy Statement dated 27 February 2026, issued by the Governor of the Reserve Bank, which announced policy measures to deepen domestic currency usage, consolidate price and exchange rate stability. Our valued clients are advised as follows:

Policy Measure	Interpretation	Impact
1. Foreign Currency Retention Threshold for Exporters	• Foreign currency retention threshold for exporters has been maintained at 70% of the gross export proceeds. • 30% of the gross export proceeds shall be sold to the Reserve Bank at the prevailing Weighted Average Willing Buyer-Willing Seller (WBWS) Interbank Market Exchange Rate.	• No change as the foreign currency retention and surrender thresholds have been maintained at 70% and 30% respectively
2.	•	
3. Local Financing for the Production and Purchasing of Seed Cotton	• Seed cotton merchants can use own savings or borrow or raise funds from the local market to finance the production and buyback of seed cotton, without seeking	• Prior approval no longer required from RBZ to source funds locally to finance production and

	prior approval from the Reserve Bank. • Of the Forex from purchase or buyback of seed cotton, 30% to be sold to RBZ and ZiG proceeds deposited into special ZiG Seed Cotton Buying Account. 70% which is forex to be deposited into (FCA) Seed Cotton Buying Account • Seed cotton merchants to pay seed cotton growers 70% in foreign currency and 30% in ZiG	buyback of seed cotton.
4. Local Financing for the Production and Purchasing of Green Leaf Tobacco	• Tobacco merchants can use own savings or borrow or raise funds from the local market to finance the production and buyback of green leaf tobacco, without seeking prior approval from the Reserve Bank. • Of the Forex from purchase or buyback of Tobacco, 30% to be sold to RBZ and ZiG proceeds deposited into special ZiG Tobacco Buying Account. 70% which is forex to be deposited into (FCA) Tobacco Buying Account • Tobacco merchants to pay Tobacco growers 70% in foreign currency and 30% in ZiG.	• Prior approval no longer required from RBZ to source funds locally to finance production and buyback of green leaf tobacco
5. Settlement of Value for Delivered Crops for Export	• All crops for export acquired by the buyers or consolidators should be settled with the farmers in proportion of not more	• Buyers or consolidators no to pay more than 70% in forex to farmers

	70% of the value of the crop in foreign currency and not less than 30% in domestic currency.	of crops for export. The ZiG component must not be less than 30%
6. Accounting for Foreign Currency Receipts in the Tourism Industry	• All non-consumptive tourism operators are required to complete on-line, a Form TRAS1 and submit the same together with copies of bank statements by the 7th of each month. • Cross-border downstream payments using funds from the Transitory (FCAs), are permissible.	• Tourism operators to declare forex earnings on the TRAS 1 without fail and submit the return by the 7th of each month
7. Accounting for Foreign Currency Receipts in the Cross-Border Road Freight Services Industry	• Locally registered cross-border road freight operators are required declare to the Zimbabwe Revenue Authority (ZIMRA) their foreign currency earnings on the Form CD3 and acquit the respective Form CD3 within 90 days of crossing the international border.	• Non-compliant cross-border road freight operators shall be subjected to hefty fines as well as black-listing in the Reserve Bank CEPECS system.
8. Gearing Ratio of Greenfield Foreign Investments	• Gearing ratio (debt-to-equity) limit for Greenfield foreign investments is 2:1. • Foreign investments undertaken under Public Private Partnerships (PPPs) such as Build Operate and Transfer (BOT) projects are not subject to the gearing ratio (debt-to-equity) limit of 2:1.	• Debt-to-equity ratio of all greenfield foreign investment set at 2:1
9. Offshore Settlement for Domestic Transactions	• Domestic financial transactions between locally incorporated	• No offshore settlement of domestic

	companies must be settled locally. Operation of Offshore Accounts shall be limited to external debt servicing only.	transactions
10. Conditions Precedent for the Adoption of Mono-Currency	• Transition to the exclusive use of ZiG for settling all domestic transactions will be a gradual process anchored on macro-economic stability. • Transition is not date-based but is dependent on the achievement of the Conditions Precedent • Under mono-currency, domestic products and services will be exclusively paid for and settled in local currency, while foreign currency will be reserved for bona fide external payments. • Adoption of mono-currency will not eliminate foreign currency accounts • Foreign currency loans and advances made to domestic individuals and non-exporting corporates shall remain denominated in foreign currency	• Implementation of mono-currency is not date based but dependent on achievement of set conditions. When mono-currency is finally implemented, FCA accounts will still exist. Only local transactions will be restricted to local currency.

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