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FOREIGN EXCHANGE DIRECTIVE FXD5/2026

2 March 2026

The Managing Director
National Building Society (NBS)
14th Floor Social Security Centre
Cnr. Sam Nujoma Street & Julius Nyerere Way
HARARE

ATTENTION: MR S MAHLANGU

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

1. Introduction

1.1 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**.

1.2 This Foreign Exchange Directive seeks to operationalize the policy measures announced therein, and Authorised Dealers are advised as follows:

2. Foreign Currency Retention Threshold for Exporters

2.1 Authorised Dealers are advised that the foreign currency retention threshold for exporters has been maintained at 70% of the gross export proceeds.

2.2 Accordingly, 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.

3. Payment Arrangements for the Gold Delivered to the Refiners

3.1 As part of the promotion for the usage of the domestic currency, with effect from 1 March 2026, Artisanal and Small-Scale Gold Miners (ASGM) shall be paid 90% in foreign currency and 10% in local currency for the Gold delivered to the Refiners.

Board of Directors; (Governor & Chairman) Dr. J. Mushayavanhu, **Deputy Chairperson:** Mrs. M. Dzumbunu, **Deputy Governor:** Dr. J. T. Chipika, **Deputy Governor:** Dr. I. Matshe, **Director:** Mr. E. I. Manikai, **Director:** Mrs. E. Fundira, **Director:** Dr. C. M. Fundanga, **Director:** Ms. B. Muswaka, **Director:** Prof. J. Parwada, **Director:** Ms. K. Maphisa

3.2 The Large-Scale Gold Miners (LSGM) shall continue to be paid 70% in foreign currency and 30% in domestic currency for the Gold delivered to the Refiners.

4. Local Financing for the Production and Purchasing of Seed Cotton

4.1 Authorised Dealers are advised that in line with the Exchange Control (Cotton Finance) (Amendment) Order, 2026 (No. 1), published in Statutory Instrument 23 of 2026, 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 from the Reserve Bank.

4.2 For the borrowed funds, upon drawdown of the foreign currency for the purchase or buyback of the seed cotton, 30% shall be sold to the Reserve Bank and the local currency proceeds shall be deposited into a special (ZiG) Seed Cotton Buying Account. The remaining 70% of the foreign currency shall be credited into a special (FCA) Seed Cotton Buying Account.

4.3 As part of the promotion for the usage of the domestic currency, seed cotton merchants are required to pay seed cotton growers 70% in foreign currency and 30% in domestic currency, for the delivered seed cotton.

5. Local Financing for the Production and Purchasing of Green Leaf Tobacco

5.1 Authorised Dealers are advised that in line with the Exchange Control (Tobacco Finance) (Amendment) Order, 2026 (No. 2), published in Statutory Instrument 24 of 2026, 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.

5.2 For the borrowed funds, upon drawdown of the foreign currency for the purchase or buyback of the green leaf tobacco, 30% shall be sold to the Reserve Bank and the local currency proceeds shall be deposited into a special (ZiG) Tobacco Buying Account. The remaining 70% of the foreign currency shall be credited into a special (FCA) Tobacco Buying Account.

5.3 As part of the promotion for the usage of the domestic currency, tobacco merchants are required to pay tobacco growers 70% in foreign currency and 30% in local currency, for the delivered green leaf tobacco.

6. Settlement of Value for Delivered Crops for Export

6.1 In line with the drive to promote the use of domestic currency, all crops for export acquired by the buyers or consolidators, should be settled with the farmers in proportion of not more 70% of the value of the crop in foreign currency and not less than 30% in domestic currency.

7. Accounting for Foreign Currency Receipts in the Tourism Industry

7.1 The Reserve Bank has noted with concern that most of the tourism operators are neither declaring their earnings on the Tourism Receipts Accounting System Form number 1 (Form TRAS 1) nor banking their earnings, particularly foreign currency, and this malpractice has led to significant revenue leakages, externalisation of foreign currency, weak local banking relationships, and tax evasion.

7.2 In order to enhance the accounting for the foreign currency earnings in the tourism industry, with effect from 1 March 2026, all non-consumptive tourism operators (tourism services providers other than exclusive sport hunting), 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.

7.3 Authorised Dealers are advised that following the expanded destination marketing in tour package development and in the spirit of enhancing the ease of doing business in the tourism industry, cross-border downstream payments using funds from the Transitory (FCAs), are permissible.

8. Accounting for Foreign Currency Receipts in the Cross-Border Road Freight Services Industry

8.1 The Reserve Bank has noted with concern that most of the cross-border road freight operators are employing unscrupulous ways to evade the proper competition of the Foreign Currency Declaration Form number 3 (Form CD3) and this malpractice has led to significant revenue leakages, externalisation of foreign currency, weak local banking relationships, and tax evasion.

8.2 Authorised Dealers are required to remind their clients, particularly the locally registered cross-border road freight operators, of the requirement to 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.

8.3 Authorised Dealers are advised that non-compliant cross-border road freight operators shall be subjected to hefty fines as well as black-listing in the Reserve Bank CEPECS system.

9. Gearing Ratio of Greenfield Foreign Investments

9.1 Greenfield foreign investment is a form of Foreign Direct Investment (FDI) where a parent company builds new operational facilities such as factories, offices, or infrastructure in a foreign country.

9.2 Authorised Dealers are reminded that the gearing ratio (debt-to-equity) limit for Greenfield foreign investments is 2:1. This finance structure allows for larger investments as well as prudent management of the external debt sustainability of the country.

9.3 Authorised Dealers are advised that 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.

10. Offshore Settlement for Domestic Transactions

10.1 The Reserve Bank has noted an increase in requests for offshore settlement of domestic transactions by locally incorporated companies.

10.2 Authorised Dealers are advised that domestic financial transactions between locally incorporated companies must be settled locally. As such, consideration for operation of Offshore Accounts shall be limited to external debt servicing only.

11. Publication of Daily Reference Exchange Rates

11.1 Authorised Dealers are advised that in line with the current Foreign Exchange Market Trading Guidelines, the Reserve Bank shall continue to publish on its website, the Daily Reference Exchange Rate, calculated as the weighted average of all Willing Buyer - Willing Seller (WBWS) interbank foreign exchange transactions.

11.2 The calculation of the Reference Exchange Rate shall reflect the total foreign exchange volume of trade per day, which will represent the foreign exchange trading of the previous day after the cut-off time of 1200hrs and the current day's trading from opening at 0800hrs to cut-off time of 1200hrs of that day.

11.3 Authorised Dealers are further advised that the Reserve Bank is developing an electronic Foreign Exchange Market Trading System to enhance foreign exchange trading efficiency and price discovery. The electronic foreign exchange trading system will offer real-time price quotes, advanced charting, high-speed execution, secure, and reliable trade execution.

11.4 The Reserve Bank shall, accordingly, advise the market in due course when the electronic foreign exchange trading system is ready for deployment.

12. Conditions Precedent for the Adoption of Mono-Currency

12.1 Authorised Dealers are advised that the transition to the exclusive use of ZiG for settling all domestic transactions will be a gradual process anchored on macro-economic stability as enunciated in the National Development Strategy 2 (NDS2) 2026-2030.

12.2 As such, the transition is not date-based but is dependent on the achievement of the Conditions Precedent (CPs) outlined as follows: -

i. Durable macro-economic stability characterised by low and stable inflation at single-digit levels;
ii. Adequate foreign currency reserves of at least 3-6 months of imports cover, in the medium to long-term;
iii. An efficient foreign exchange management system that eliminates foreign exchange market segmentation and promotes ease of access to foreign currency by importers and for other *bona fide* requirements;
iv. Stable exchange rate dynamics, with minimum over- or undervaluation of the ZiG;
v. Increased demand for ZiG through recalibration of the percentage of Government taxes and broadening payment of public sector goods and services in local currency;
vi. Financial sector stability;
vii. Efficient and secure National Payment Systems, to promote ease of payment in ZiG locally; and
viii. Fiscal and monetary policy cohesion, with low and sustainable National Budget deficits.

12.3 Authorised Dealers are further advised that 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. The adoption of the adoption of mono-currency will not eliminate foreign currency accounts, foreign currency-denominated pension fund holdings, or US dollar-based equities, including those on the Victoria Falls Stock Exchange (VFEX) and Treasury Bills.

12.4 In addition, foreign currency loans and advances made to domestic individuals and non-exporting corporates shall remain denominated in foreign currency.

13. Dissemination of Foreign Exchange Policies

13.1 The measures contained in this Foreign Exchange Directive have been incorporated into the latest version of the Foreign Exchange Guidelines to Authorised Dealers and their Clients on Foreign Exchange Transactions (2026).

13.2 The latest Guidelines are accessible to all interested stakeholders on the Reserve Bank of Zimbabwe website https://www.rbz.co.zw under Capital Flows Management section.

13.3 Authorised Dealers are advised to promote the operationalisation of this Foreign Exchange Directive through active stakeholder engagements, using various forms of communications to all relevant market players to support policy awareness and clarity.

14. Compliance Monitoring and Market Discipline

14.1 Authorised Dealers are advised that the overall global trend indicates that compliance is no longer just a back-office function but a critical driver of market trust and operational security.

14.2 Authorised Dealers are therefore, reminded that non-compliance with the laws, foreign exchange regulations, and industry standards can lead to severe consequences, including significant financial fines, legal actions (lawsuits or prosecution), and operational disruptions. It often causes lasting reputational damage, loss of client trust, and potential suspension of licenses or business closure.

14.3 Following the rising external environment volatility and increased risks of financial crime, the Reserve Bank is determined to ensure that there is foreign exchange (FX) market compliance and will intensify its efforts on combating illegal trading, improving transparency, and enforcing adherence to international best practices.

RESERVE BANK OF ZIMBABWE
HARARE

2 MARCH 2026

DIRECTOR
CAPITAL FLOWS ADMINISTRATION,
ACCOUNTING & MANAGEMENT

Dr T Chitauro
Director
CAPITAL FLOWS ADMINISTRATION, ACCOUNTING & MANAGEMENT

cc: Mr F Masendu, Director, Financial Surveillance
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