

Exchange Control (Exclusive Use of Zimbabwe Dollar for
Domestic Transactions) Regulations, 2019

IT is hereby notified that His Excellency the President, in terms of section 2 of the Exchange Control Act [*Chapter 22:05*], has made the following regulations:—

Title

1. These regulations may be cited as the Exchange Control (Exclusive Use of Zimbabwe Dollar for Domestic Transactions) Regulations, 2019.

Interpretation

2. (1) In these regulations—

“designated goods” means goods that in terms of the Customs and Excise Act [*Chapter 23:02*] are designated to be luxury goods for duty payment purposes;

“diplomatic mission” has the same meaning as “mission” in the Privileges and Immunities Act [*Chapter 3:03*];

“domestic transaction”, subject to section 4, means any transaction within Zimbabwe whereby—

- (a) goods or services are—
 - (i) offered for sale or attempted to be offered for sale; or
 - (ii) sold by auction; or
 - (iii) exposed, displayed or advertised for sale; or
 - (iv) sold under an agreement in terms of the Hire-Purchase Act [*Chapter 14:11*] or by means of staggered payments or instalments; or
 - (v) transmitted, conveyed, delivered, distributed, possessed or prepared for sale; or
 - (vi) bartered or otherwise exchanged or disposed of for valuable consideration;
- (b) any, fee, or levy or commission or other valuable consideration is payable;

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“Exchange Control Regulations” means the Exchange Control Regulations, 1996, published in Statutory Instrument 109 of 1996, or any law that may be substituted for the same;

“foreign currency” means the British pound, the United States dollar, the South African rand, the Euro, the Chinese Yuan, Indian Rupee, Japanese Yen, the Botswana pula, or any other foreign currency declared to be such by the exchange control authority;

“gazetted regional or international organisation” means any such organisation upon which privileges and immunities have been bestowed by the President in terms of section 7(1) of the Privileges and Immunities Act [*Chapter 3:03*];

“Guests of State” means diplomats and members of staff of gazetted regional or international organisations.

(2) Any word or phrase to which a meaning has been assigned by the Exchange Control Regulations shall bear the same meaning when used in these regulations.

Exclusive use of Zimbabwean currency for domestic transactions

3. (1) Subject to section 4, no person who is a party to a domestic transaction shall pay or receive as the price or the value of any consideration payable or receivable in respect of such transaction any currency other than the Zimbabwean dollar.

(2) In particular (without limiting the scope of subsection (1)) no person shall—

- (a) quote, display, label, charge, solicit for the payment of, receive or pay the price of any goods, services, fee or commission in any currency other than the Zimbabwe dollar; or
- (b) settle any obligation by barter or otherwise for a consideration that is not denominated by, or is not valued in, the Zimbabwean dollar; or
- (c) receive, demand, pay or solicit for payment by means of any token, voucher, coupon, chit, instrument, unit

of account or other means or unit of payment (whether material or digital) that is pegged to, referable to or used in substitution for any foreign currency or unit of a foreign currency.

(3) Any person who contravenes subsection (1) shall be liable to—

- (a) a category 1 civil penalty if the contravention is completed but irremediable; or
- (b) a category 4 civil penalty if the contravention is a continuing one.

Transactions excluded from scope of “domestic transactions”

4. The following transactions are not within the scope of the definition of “domestic transaction” in subsection (1) for the purposes of these regulations—

- (a) the making of the payments referred to in section 23 (“Zimbabwe dollar to be the sole currency for legal tender purposes from second effective date”) (4) and (5) of the Finance (No. 2) Act, 2019;
- (b) any of the following transactions in respect of which a foreign currency is required to be paid—
 - (i) carbon tax payments for foreign registered vehicles;
 - (ii) third party insurance payments for foreign registered vehicles;
 - (iii) road access fees for foreign registered vehicles;
 - (iv) electronic sealing fees and fines charged by or to transborder logistics enterprises or transborder electronic tracking or tagging enterprises;
 - (v) payments to local insurance companies for bond guarantees or bonds for designated goods;
 - (vi) the payment by foreigners in transit of deposits in terms of any law;
- (c) payments of duty at ports of entry by individual travellers who opt to pay such duties in foreign currency, despite the fact that the dutiable goods in question are not designated goods;

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- (d) transactions conducted through authorised dealers for which payments are permitted to be made in any foreign currency in terms of any directive issued in terms of section 35 of the Exchange Control Regulations;
- (e) transactions in respect of which any other law expressly mandates or allows for payment to be made in any or a specific foreign currency.
- (f) transactions referred to in section 5.

Guest of State fuel outlets

5. Despite these regulations it is permissible to tender foreign currency in payment for petrol, diesel or other petroleum product dispensed to Guests of State at a specified Guest of State fuel outlet, that is to say, any fuel outlet licensed by the Zimbabwe Energy Regulatory Authority established by section 3 of the Energy Regulatory Act Authority Act [*Chapter 13:23*] to sell petrol or diesel or other petroleum product in United States dollars to Guests of State.