

# Exchange Control Circular Number 9 of 2021.

November 2021

## Introduction

Reference is made to the Governor's Press Statement of 09 November 2021, wherein there has been a significant increase in the number of bids being submitted through the auction system, averaging 2000 per week. These volumes have led to the change in bid submission timelines.

The main objective of the circular is to allow banks to perform the necessary due diligence processes over the bids within the set timelines.

To operationalize the Governors' pronouncement contained in the Press Statement, Exchange Control has issued circular no.9 of 2021 that articulates on the Governors' statement whose details are contained below.

Policy Measure	Policy Highlights	What this means.
Submission of Bids	<ol style="list-style-type: none"> <li>1. With immediate effect, bidders shall submit Auction bids to their respective Authorized Dealers on Wednesday by 1100hrs for the next Auction. Authorized Dealers shall in turn, validate, consolidate, and submit the bids to the Reserve Bank on Thursday by 1500hrs.</li> <li>2. Under the refined process, Authorized Dealers shall submit the electronic Authorized Dealers Bid Form to Financial Markets through the existing platform. Upon the electronic submission, Authorized Dealers shall also simultaneously submit to Exchange Control, the supporting physical documentation for the bids in two batches for the Main and SME Auctions. The below documents are required in support of each Auction bid, and must be submitted in the following order:               <ol style="list-style-type: none"> <li>(i) Signed applicant' s bid form,</li> <li>(ii) Proforma invoice (s) for advance payments,</li> <li>(iii) Educational statements for educational expenses-University invoice, lease agreements etc.</li> <li>(iv) Commercial invoice(s), supplier(s) statement ZIMRA Bill of Entry for credit terms,</li> <li>(v) Prior Exchange Control Authority Number (PECAN) for loans and service payments including statement from the lender or service provider (s).</li> <li>(vi) Copy of TT indicating amount (s) paid in the case of part payments,</li> <li>(vii) Certificate of Incorporation</li> <li>(viii) Valid ZIMRA tax clearance certificate,</li> <li>(ix) Proof of physical address of the bidder (company or individual)- CR14 for companies and proof of residence for individuals.</li> <li>(x) Current 3 months ZWL bank statements of the bidder</li> </ol> </li> </ol>	<p>We encourage customers to submit their bids earlier than 1100hrs on Wednesday to allow our teams time to review the bid, give feedback and receive a response within timelines that allow for correction of any matters that may have required some attention.</p> <p>Firms are motivated to plan for their bids and avoid last minute submissions that are at the risk of errors and incomplete documentation.</p> <p>It is critical that all bids contain the applicable documents in the given list.</p> <p>Furthermore, for loans and service payments bidders must submit copies of the relevant RBZ authorities, including statement from the lender or service provider (s). It is important to state the prior exchange control number and or reference for ease of tracing.</p> <p>It is important that the customer has sufficient ZWL balances to support the bid. Inability and/or failure to submit any requisite items listed will result in the bid being disqualified.</p> <p>Please take note that the RBZ requires physical documents to support the bid.</p> <p>Customers need to submit these documents in time to allow for collation and dispatch to meet the set submission timelines.</p> <p>Simultaneously, for bank records, bidders must submit their bids as one continuous attachment via email, with the Applicant Bid Form on top in PDF format to the given e mail address below.</p> <p>-For the avoidance of doubt, bidders must submit their bids via two platforms, Physical submission, and Email for bank records</p>

Know Your Customer (KYC) and Customer Due Diligence (CDD)	(xi) Permits and any other relevant licenses where applicable.	
	3. Authorized Dealers are urged to continue to conduct the necessary Know Your Customer (KYC) and Customer Due Diligence (CDD) on their customers before submission of bids to the Reserve Bank.	First Capital Bank Limited is prepared to assist its clients in the classification of Primary and/or Secondary in line with Reserve Bank of Zimbabwe guidelines.
	4. Profiles of new participants at the Foreign Exchange Auction System should continue to be provided upon submission of bids as well as the simultaneous registration of these new companies in the Computerized Exchange Control Batch Application System (CEBAS).	Bidders must ensure that they are registered as importers in CEBAS before submission of their bids. Exchange Control will validate this prior to submission and unregistered bidders' bids will be declined.  It is mandatory that all new participants have company and/or individual profiles that are complete and adequate.
Conclusion	Any bid submitted later than the Wednesday 1100hrs set time frame will be disqualified.  All bids must be submitted to the following e mail address; <a href="mailto:exchangecontrolunit-zimbabwe@firstcapitalbank.co.zw">exchangecontrolunit-zimbabwe@firstcapitalbank.co.zw</a>	