

Presidential Powers (Temporary Measures) (Amendment of Reserve Bank of Zimbabwe Act and Issue of Real Time Gross Settlement Electronic Dollars (RTGS Dollars)) Regulations, 2019

HIS Excellency the President, in terms of section 2 of the Presidential Powers (Temporary Measures) Act [*Chapter 10:20*], hereby makes the following regulations:—

Title

1. These regulations may be cited as the Presidential Powers (Temporary Measures) (Amendment of Reserve Bank of Zimbabwe Act and Issue of Real Time Gross Settlement Electronic Dollars (RTGS Dollars)) Regulations, 2019.

Interpretation

2. In these regulations—

“Reserve Bank” means the Reserve Bank of Zimbabwe Act referred to in section 4 of the Reserve Bank of Zimbabwe Act [*Chapter 22:15*] (No. 5 of 1999);

“RTGS dollar” means any funds held as bank deposits under the Real Time Gross Settlement system established in terms of the National Payment Systems Act [*Chapter 24:23*];

“unit of a bond note” means a unit (“one dollar”) or multiple thereof in which a bond note is denominated.

New section inserted in Cap. 22:15

3. (1) The Reserve Bank of Zimbabwe Act [*Chapter 22:15*] (No. 5 of 1999) (“the principal Act”) is amended by the insertion in Part VI (“Banknotes and Coinage”) of the following section after section 44B—

“44C Issuance and legal tender of RTGS Dollars

(1) In addition to its powers to issue banknotes and coins in terms of this Act and subject to subsection (3), the Bank shall have the sole power to issue or cause to be issued electronic currency in Zimbabwe.

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(2) The issuance of any electronic currency shall not affect or apply in respect of—

- (a) funds held in foreign currency designated accounts, otherwise known as “Nostro FCA accounts”, which shall continue to be designated in such foreign currencies; and
- (b) foreign loans and obligations denominated in any foreign currency, which shall continue to be payable in such foreign currency.

(3) The Bank shall not issue any electronic currency unless the Minister has, by statutory instrument specified—

- (a) the name of the electronic currency and its rate of exchange in relation to any other foreign or domestic currency; and
- (b) the effective date of the issuance of the currency, from which date (or such other date as the Minister may specify in the statutory instrument) it shall be legal tender within Zimbabwe; and
- (c) any transitional matters required to be prescribed in connection with the introduction electronic currency, including the conversion of existing banking balances into the new currency.

(4) The Bank may, after consultation with the Minister issue any direction that, in its opinion, is in the public interest and will promote the objective and the smooth implementation of the provisions of this section.”

Issuance and legal tender of RTGS Dollars and savings

4. (1) For the purposes of section 44C of the principal Act as inserted by these regulations, the Minister shall be deemed to have prescribed the following with effect from the date of promulgation of these regulations (“the effective date”)—

- (a) that the Reserve Bank has, with effect from the effective date, issued an electronic currency called the RTGS Dollar;
- (b) that Real Time Gross Settlement system balances expressed in the United States dollar (other than those referred to in section 44C(2) of the principal Act), immediately before the effective date, shall from the effective date be deemed to be opening balances in RTGS dollars at par with the United States dollar; and
- (c) that such currency shall be legal tender within Zimbabwe from the effective date; and
- (d) that, for accounting and other purposes, all assets and liabilities that were, immediately before the effective date, valued and expressed in United States dollars (other than assets and liabilities referred to in section 44C(2) of the principal Act) shall on and after the effective date be deemed to be values in RTGS dollars at a rate of one-to-one to the United States dollar; and
- (e) that after the effective date any variance from the opening parity rate shall be determined from time to time by the rate at which authorised dealers under the Exchange Control Act exchange the RTGS Dollar for the United States dollar on a willing-seller willing-buyer basis; and
- (f) that every enactment in which an amount is expressed in United States dollars shall, on the and after effective date, be construed as reference to the RTGS dollar, at parity with the United States dollar, that is to say, at a one-to-one rate.

(2) From the effective date the bond notes and coins referred to in the Reserve Bank of Zimbabwe Amendment Act, 2017 (No. 1 of 2017) shall continue to be legal tender within Zimbabwe, exchangeable with the RTGS dollar at parity with each bond note unit, that is to say, at a one-to-one rate.

