



New Monetary Policy 2019



Frequently Asked Questions (FAQ's)

1. What are RTGS Dollars (RTGS\$)?

- All RTGS balances and bond notes have been denominated as RTGS dollar (RTGS\$). RTGS\$ is the new base currency for Zimbabwe replacing the USD. All domestic transactions, financial reporting, accounting will be denominated in RTGS dollar.
- The Reserve Bank of Zimbabwe (RBZ) Governor indicated that a legal instrument to give effect to the RTGS dollar has been prepared and will be gazetted soon.

2. What is the exchange rate of the new RTGS Dollars to US Dollars?

- The exchange rate will start at an initial level of RTGS \$ 2.5: USD 1 and the trading will be on a willing buyer willing seller basis. Interbank trading is expected to determine the exchange rate going forward. The RBZ has also indicated that banks will be required to charge trading margins within 2.5% of the mid-rate.

3. What will happen to my money in RTGS FCA accounts, bonds notes, Nostro FCA?

- In October 2018, the RBZ directed banks to operate separate accounts for RTGS balances and Nostro balances (actual forex). So, in the same vein, all balances held in RTGS FCA accounts, bond notes, including electronic balances held in virtual accounts such as ecocash, will be classified as RTGS dollar. Money held in Nostro FCAs will be classified as USD.
- The RBZ has indicated that legacy debts, for example debts for airlines (IATA), proceeds of foreign investors, declared dividends, etc will be ring-fenced and treated separately. Banks will be registering such legacy debts with the Exchange Control department at RBZ for consideration and processing.

4. Do I need to deposit my bond notes to get RTGS Dollars?

- No. The bond notes are being treated as RTGS dollars.

5. If I want to change my RTGS Dollars to US Dollars or vice versa where do I go?

- Customers can buy or sell US dollars at the prevailing exchange rate from banks and bureaux de change.
- Current invoices are required as supporting documentation for purchase of US dollars, e.g. school fees invoices.

6. Will the rate of the RTGS Dollar against the US Dollar move?

- In terms of the monetary policy framework, the exchange rate will be determined by activities in the interbank market.

7. What will happen to my loans?

- Loans borrowed locally in RTGS balances will be treated as RTGS dollar borrowings, while offshore borrowed loans (i.e. borrowed from external institutions/parties) will be treated as USD loans.

8. When will businesses be able to access the FX being traded freely?

- Businesses are required to bring new invoices to support their foreign currency requirements. Foreign currency will be purchased in the Interbank Market at the prevailing exchange rates.

9. Currency trading will only affect new invoices. What is the cut-off date in terms of the invoices and what happens to previous invoices?

- All customers have been instructed to re-submit new invoices for consideration, except for education.

10. For clients eligible to allocations from the RBZ (FEMCO), are they also able to play in the interbank markets?

- The RBZ has indicated that allocations for essential goods, basic commodities, fuel and electricity will continue to be done by the Central Bank through existing LC facilities.

11. What will happen to the funds sitting in exporter's FCA accounts, will these be converted after 30 days?

- Funds currently sitting in the exporter's FCA accounts will be subject to liquidation onto the interbank market after 30 days if not utilised, starting from 22 February 2019.