

Circular 28 of 2020

Date: 1 December 2020

TO: All Pension Funds

All Insurance Companies and Brokers

All Pension Fund Administrators

Zimbabwe Association of Pension Funds (ZAPF)

Life Offices Association of Zimbabwe (LOA)

Insurance Council of Zimbabwe (ICZ)

Insurance Brokers Association of Zimbabwe (IBAZ)

Zimbabwe Association of Reinsurers' Organisations (ZARO)

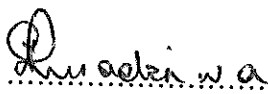
Notification of Publication of the Exchange Control (Exclusive Use of Zimbabwe Dollar for Domestic Transactions) (Amendment) Regulations.

1. The Commission hereby advises that the Exchange Control (Exclusive Use of Zimbabwe Dollar for Domestic Transactions) (Amendment) Regulations, 2020, were published in the Government Gazette of 27th of November 2020.
2. The regulations are made in terms of section 2 of the Exchange Control Act [Chapter 23:04].
3. The regulations provide for payments in foreign currency in relation to selected insurance and pension businesses:-
 - a. payment of pension contributions and benefits
 - b. payment of insurance premiums and settlement of insurance claims

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4. Foreign currency-denominated contributions and premiums must be invested in instruments denominated in the respective currency the contributions or premiums are made.
5. Entities are required to settle claims and benefits, in the currency in which the premiums and contributions were paid.
6. The publication in the Government Gazette means that the Statutory Instrument is now effective from the date of publication, which is 27 November 2020.
7. Statutory Instrument 280 must be read together with Statutory Instrument 268 of 2020 which provides for the payment of levies in foreign currency, in relation to insurers who conduct part or all of their business in foreign currency and pension and provident funds that receive part or all of their contributions in foreign currency. Similarly, the levy payable, must be paid in the currency which the business was conducted.
8. The exchange rate to be used by entities on submission of consolidated returns to the Commission for both foreign and local currency-denominated business shall be the official auction rate on the date of reporting. However, entities are required to provide additional disclosure of foreign currency-denominated business written during a reporting period as an addendum to the consolidated return. The template for the foreign currency-denominated business shall be the same with the quarterly or annual reporting template.
9. Clause 3 of Circular 13 of 2019 ("Authority to offer selected insurance policies in foreign currency") is hereby revoked.
10. Please be guided accordingly.


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Grace Muradzikwa

Commissioner of Insurance Pension and Provident Funds