



ZIMBABWE

PRESS STATEMENT

BILLING OF RATES AND SERVICES IN FOREIGN CURRENCY

- 1) Under the National Development Strategy 1, Government has made considerable progress in fostering macroeconomic stability by implementing a broad range of fiscal and monetary stabilization measures.
- 2) Resultantly, there has been notable stability in the economy, the exchange rate and general prices of goods and services.
- 3) Recently, Government introduced additional measures to promote the use of local currency and these include the settlement of tax obligations in local currency among others, as part of the raft measures being undertaken.
- 4) On the 29th of May 2023, Government directed that all Government Agencies including Local Authorities should collect fees and levies in local currency in order to promote the wider use of domestic currency.
- 5) However, Government notes with concern the outright disregard of this directive by certain Local Authorities and Government Agencies who either have gone ahead to issue notices to the contrary or continue charging services exclusively in United States Dollars. The City of Harare is one such case in point.
- 6) The behavior is not only in contravention of the law but also militates against Government Policy. Therefore, all Government Agencies and Local Authorities are reminded to comply with the Government directive with immediate effect.
- 7) Government remains committed to the broad use of local currency for domestic transactions which started in 2019 when Government adopted the use of the Zimbabwe Dollar.
- 8) Several legal instruments have been promulgated by the Government to facilitate the re-introduction of the Zimbabwe dollar namely the Presidential Powers (Temporary Measures) (Amendment of Reserve Bank of Zimbabwe Act and Issue of Real Time

Gross Settlement Electronic Dollars (RTGS Dollars) Regulations, published in Statutory Instrument 33 of 2019.

- 9) Subsequently, Government Published the Reserve Bank of Zimbabwe (Legal Tender) Regulations through SI 142 of 2019 whose provisions were incorporated in the Finance (No,2) Act, 2019 which provides that:
- With effect from the 24th of June, 2019, the British Pound, United States Dollar, South African Rand, Botswana Pula and any other foreign currency shall no longer be legal tender alongside the Zimbabwean Dollar in any Transaction in Zimbabwe;
 - The Zimbabwean Dollar shall with effect from 24 June, 2019 be the sole legal tender in Zimbabwe for all transactions, to which the Zimbabwe Dollar refers to bond notes and coins and prescribed electronic money, that is, the RTGS Dollar.
- 10) This made the ZWL the sole legal tender for all settlements in Zimbabwe and any billing for services in foreign currencies can only be done if provided for by the law or if exempted in terms of the Exchange Control Regulations.
- 11) For the avoidance of doubt, transactions that are excluded from the scope of domestic transactions are clearly stated in the Exchange Control (Exclusive use of Zimbabwe Dollar for Domestic Transactions) Regulations, 2019 published in SI 212 of 2019 and these do not include billing of rates by Local Authorities and charging of services by Government Agencies.
- 12) Furthermore, SI 85 of 2020 states that persons with free funds cannot be compelled to pay in foreign currency. They reserve the right to choose to pay for goods and services in Zimbabwe Dollars at the ruling rate on the date of payment.

Issued in the public interest.



MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT
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@Zimtreasury



+263 8688003450-3



+263 719 567 091/719 567113



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