



PRESS STATEMENT

1. The Reserve Bank of Zimbabwe will with immediate effect start the process towards issuance of Bond Notes as legal tender in Zimbabwe. The process will commence with media publicity to inform and raise awareness of the public on the denominations, design, form, material and security features which are used in the Bond Notes to be introduced. This is to ensure that the public is not duped by fake Bond Notes that may be circulated into the market by unscrupulous elements in our society.
2. When the Reserve Bank is satisfied that the public is sufficiently conversant with the salient features of the Bond Notes it will proceed to issue the Bond Notes accordingly in line with the Export Incentive Scheme. The Reserve Bank has recommended the Export Incentive Scheme in terms of Section 49 of the Reserve Bank of Zimbabwe Act (Chapter 22:15) to boost the Country's reserves through increased export earnings. The Export Incentive Scheme will therefore remedy the decline of reserves which has a negative impact on the Country's ability to make prompt settlements of its international obligations.
3. I need to highlight that under existing legislation the Reserve Bank of Zimbabwe has power to issue Bond Notes in terms of the provisions of Section 7 of the Reserve Bank of Zimbabwe Act Chapter [22:15]. The Export Incentive Scheme could also have been introduced through Section 2

of the Exchange Control Act [Chapter 22:05] which empowers the President to make regulations relating directly or indirectly to exchange transactions and the control of imports into and exports from Zimbabwe, and payments.

4. Given the criticality of the issuance of Bond Notes as legal tender to the recovery of our economy and also the controversy that has surrounded the subject matter, it has been decided that the legality of Bond Notes as legal tender in Zimbabwe should be put beyond any measure of doubt. It is to this effect that the President has today gazetted Statutory Instrument 133 of 2016, Presidential Powers (Temporary Measures) (Amendment of Reserve Bank of Zimbabwe Act and Issue of Bond Notes) Regulations, 2016. The measures that have been gazetted under Presidential Powers Regulations will fortify and underpin the existing legal framework for the issuance of Bond Notes.
5. My appeal to the public is that they embrace the Bond Notes to ensure a sustainable recovery of our economy.

Hon. P.A. Chinamasa, MP

Minister of Finance and Economic Development

31 October 2016