MBCA Bank Limited
Registered Commercial Bank
Pride *in* Performance
A member of the NEDBANK Group

04 August 2011

Dear valued customers,

EXCHANGE CONTROL SYNOPSIS OF RBZ DIRECTIVE RM80 DATED 01 AUGUST 2011

POLICY INITIATIVE/ INTERVENTION	***DETAILS***	***WHAT THIS MEANS TO YOU***
REMITTANCE OF SALE PROCEEDS FROM DISPOSAL OF IMMOVABLE PROPERTY	These transactions fall under the Capital Account which has not yet been liberalised. Remittances of sale proceeds from disposal of properties have been placed into 4 categories; I. Permanent emigrants with Exchange control emigration status. II. Deceased estates with beneficiaries residing outside Zimbabwe. III. Individual foreign properties investors. IV. Zimbabweans within and outside Zimbabwe.	You will require prior exchange control authority to dispose of your property if you wish to remit proceeds from such disposals offshore. The application, with agreements of sale and other related documents will be submitted to your Authorised Dealer **(MBCA Bank)** for onward transmission to RBZ Exchange Control. 100% remittance (after all statutory deductions)shall be eligible for the following categories :- i) Formal emigration; ii) Deceased estates whose beneficiaries are resident outside Zimbabwe; iii) Individual foreigners with documentary proof of transferring funds into Zimbabwe for the purchase of immovable property.
SPECIAL ACCOUNT- "FCA (PROPERTY)"	Sale proceeds from immovable property will be managed through a	We shall open the special FCAs for all individuals selling their

	Special Account which shall be designated **"FCA (PROPERTY)"** wherein all proceeds by both residents and non-residents shall be deposited **initially** before any remittances can be effected. This is to manage and monitor cross border remittances emanating from property sales.	immovable property whether to locals or foreigners. This account shall be opened in the name of the property owner or appointed agent as directed by the applicant. Please note that this relates to <u>**individuals only**</u> as disposal of property by **corporates** with foreign ownership is treated as a **disinvestment** which requires Exchange Control approval as per the existing policy.
TRANSFER OF PROCEEDS FROM THE SPECIAL FCA- "FCA (PROPERTY)"	<u>**To Zimbabweans outside Zimbabwe-**</u> i) Sales proceeds less or equal to USD50 000.00 or its equivalent in other currencies are transferrable at once. ii) Sale proceeds above USD50 000.00:- • The balance after the remittance of the initial USD50 000.00 shall be retained in the FCA Property) for at least one (1) year and interest earned shall be freely remittable each time it falls due. • Thereafter, the balance of the principal amount shall be remitted in four (4) equal tranches. <u>**To Zimbabweans residing in Zimbabwe -**</u> i. Sale proceeds less or equal to USD50 000.00 shall be transferred at once from the FCA (Property) to an individual FCA. ii. Sale proceeds above USD50 000.00-the balance remaining in the FCA (Property) after the initial transfer of USD50 000.00 can be used for the import of goods to be consumed locally as well as payment of services both locally and offshore.	Capital Gains Tax and any other legal statutory deductions shall be paid accordingly from the sale proceeds before funds are deposited into the FCA (Property). There is need to provide the bank with invoices confirming amounts payable and in the event of imports, original ZIMRA stamped Bills of entry should be furnished before funds from the FCA(Property) can be utilised for payments.

	iii. The balance kept in the FCA (Property) can also be withdrawn as cash or transferred to the individual FCA in four (4) equal tranches within 12 months.	
CAPITAL AND CURRENT ACCOUNT TRANSACTIONS	The following transactions form the basis for specific applications to Exchange Control:- • Disinvestment proposals • Dilution proposals • Mergers and Takeovers • Cross Border Investments • Dual Listing of Shares • Restructuring and Rights Issue of Shares • Sale of immovable property to foreigners • Remittance of sale proceeds from sale of immovable property • All agreements involving local and foreign parties • Temporary and permanent export of household and personal effects • Any other transactions which fall outside the Exchange Control Guidelines issued in July 2009.	In order to avoid adverse penalties, if a transaction falls under any of the categories mentioned, you shall furnish us with the relevant documentation for application to Exchange Control.

For further details concerning the above, please contact the following people:-

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