RESERVE BANK OF ZIMBABWE

PUBLIC NOTICE

COLLECTION, HOLDING AND MANAGEMENT OF RESERVE ASSETS BY THE RESERVE BANK OF ZIMBABWE

Following amendments to Finance Act [*Chapter 23:04*] and the Reserve Bank of Zimbabwe Act [*Chapter 22:15*], respectively providing for, (i) the collection of fifty *per centum* (50%) of royalties in kind, that is to say, in the form of the mineral concerned, and (ii) the Bank to maintain, over and above gold, reserve assets in the form of diamonds, platinum and lithium (and any other precious stone or precious or valuable metal specified by the Bank by notice in a statutory instrument) in a form and of a purity or of a quality or of a kind specified by the Bank, the Bank wishes to advise miners/mining houses, relevant stakeholders and the public of the following arrangements to implement the legislative changes:

(a) With effect from 1 October 2022, miners of gold, diamonds, platinum and lithium (and any other precious stone or precious or valuable metal specified by the Bank by notice in a statutory instrument) shall be enjoined to pay fifty percent of royalties due to the State in kind, that is, in the form of the mineral concerned.

(b) The rationale for the legislative changes is to enable the Bank to collect, hold and manage reserve assets for the benefit of the Republic of Zimbabwe and as such all in-kind royalties shall be delivered to the Bank.

(c) The delivery of in-kind royalties to the Bank, and holding, maintenance and subsequent marketing of same, shall be subject to and in compliance with applicable industry practices and regulatory requirements.

(d) It shall be the responsibility of the Bank to facilitate the collection or delivery of the in-kind portion of the royalties and for the avoidance of doubt, only the cash portion shall be collectible by ZIMRA.

(e) In order to ensure that the value of the reserve assets held is preserved or enhanced, the Bank shall have the discretion to determine which prescribed mineral or metal to keep, hold or maintain from time to time, as dictated by prevailing local and international economic conditions and commodity pricing trends.

(f) In line with its mandate to hold, maintain and preserve the value of the reserve assets, where the Bank considers and determines that it is not economical or possible to keep any mineral or metal specified in terms of section 49(1)(c1) of the Reserve Bank of Zimbabwe Act [Chapter 22:15], it shall facilitate and make arrangements that the portion of the royalty payable in kind is converted to cash which the Bank will utilise to procure and purchase another specified mineral or metal, for the equivalent value, which it will keep as a reserve asset.

John P Mangudya
Governor
25 January 2023