

## PRIME TIME

**THEME:** THE EXTERNALISATION DEADLINE  
**GUEST:** *HON SIMBA MUPANDANYAMA (ZANU-PF PATRIOTS)*  
**DATE:** 1<sup>ST</sup> MARCH 2018  
**TIME:** 1900HRS CAT  
**MODERATOR:** CDE ELIAS SIBANDA (ZPF PATRIOTS GROUP ADMINISTRATOR)

theGodFather:

Hon Simba

During Press Review an article which appeared in today's newspaper which was talking about externalisation deadline which happens to be today was reviewed. However not much was shared upon by members on what exactly are some of the exchange control violations which are covered by the externalisation deadline.

Can you shed some light on these violations?

HonSimbaMupandanyama:

**Cde GF**

***Tsoro dze externalisation dzakawanda and could be inexhaustible. And yes usually a big brother is usually involved but those international transfers will always come back to haunt a fraudster.***

***To address the issue of authority being granted prior to transactions***

***The exchange control system has been decentralised now that there are transactions that are done at bank level and then the bank eventually does an acquittal at the Rbz***

***Some transactions are done and don't then get acquitted***

***Let me deal with imports***

***When one buys something say from SA you have to pay for it first before delivery. An invoice is submitted to the bank and payment is made to the supplier. In a lot of the cases the goods never come to Zimbabwe***

*The importer is usually given 90 days to acquit these goods if it was externalisation the money would have the country and goods comeback*

*The transaction stated above would have been authorized by the reserve bank or the commercial bank's exchange control department but incomplete*

Admin Elias:

in the event that the bank didn't acquit, are there ways for Rbz to discover the transactions?

HonSimbaMupandanyama:

*The RBZ has system which is linked to Zimra. Once the goods being imported cross any Zim port of entry a message is sent by the Zimra system to the RBZ system and acquittal begins*

*The RBZ and the Commercial Bank will send reminders to the importer reminding of them of the need to acquit. One can ignore this. The bank usually levies a fine on a monthly basis until the import is acquitted.*

*The RBZ is allowed to report the case an economic crime but hardly does so.*

Admin Elias:

what of instances where goods are not delivered on money that left without acquittal?

HonSimbaMupandanyama:

*It will record that money has gone out. And hence it expects the goods to come. It remains hanging until the goods come*

*Once a payment is made on SWIFT which is platform used for all international transactions you can't delete it*

*A hard copy is printed on continuous paper in sequence and the electronic copy is kept at the bank*

*Usually people form companies form external companies where they transfer money to themselves.*

*This where the Government to Government issue comes up. Any Government would be worried about this activity in their country because of Terrorism. If a fictitious account is recorded in the country they would be worried too hence cooperation of Governments*

*The converse also happens in exports where goods are exported on 'credit'*

*Prior to an export one obtains CD1s which are declarations of goods being exported, their value, consignee and country of final destination*

*Banks can process the export documents and the goods leave and they are never paid for*

*Again exports linked to the Zimra system. Once the goods leave the country, they have to be acquitted by incoming funds. Again the banks, Zimra and Rbz always request for acquittal in 90 days. This sometimes doesn't happen and someone would have been paid to account outside Zimbabwe*

*So Lithium can be exported and funds paid in Mauritius or Switzerland. That's externalisation*

*There are also special transactions which are not tracked via Zimra which require what they call Prior Exchange Control approval*

*These are loans or where Company X is paying but Company Y is the beneficiary (they call it twinning). Idzi dzakaipa because they don't have trigger mechanisms to track but are dependent on returns submitted by the transacting parties.*

*Before loans are received Exchange Control Authority is granted stipulating terms of the loan such as interest rates. So that when paying out these are clear. There are shenenigans here*

*The 'twinning' arrangements have seen had their fair share of issues*

*So as you can see these transactions all happen after some authority is done but may not happen as authority*

*These are the few I have encountered and would be the basis of Externalisation claims*

*Admin Eli posted a legislation is very correct earlier on in visiting Externalisation claims.*

*If a transaction is authorised and acquitted on fraudulent basis it can be revisited. I think Prescription on this 15years and can be increased.*

Admin Elias:

ok. From your submission, besides in cases of twinning, can we proceed with the understanding that no case of externalisation can occur without the Reserve bank yavaMangudya knowing?

HonSimbaMupandanyama:

***Yes. Even on Twining the Governor knows. That's the last office when it comes to those issues.***

***Remember the key mandate of the RBZ is Exchange Control, Interest Rates and Money Supply***

Admin Elias:

So the question of evidence of externalisation is covered here considering provision of the exchange control act?

HonSimbaMupandanyama:

***Yes. Evidence is there that usually is the basis of a prima facie case for investigation. If they need more information its takes a short time to get an order from the court to pry into business***

***Cde. Eli***

***The Reserve Bank is usually very involved in these shenanigans. They usually can see that this is a shenanigan but in a lot of cases they see it after the horse has bolted***

***The question is what action they take thereafter. After 90 days it's usually clear that something has happened***

Admin Elias:

So in concluding our angle on the reserve bank, can we say Dr. Mangudya and team are equally guilty of externalisation considering the \$3billion figure is cumulative over 3 years on an average of over a \$100 per month?

HonSimbaMupandanyama:

***They usually have an instruction from a higher office not act any findings***

***Otherwise Rbz has teeth to go after Externalisers***

***Externalisers are not small fish***

Admin Elias:

In this case the ministry of finance?

or higher?

HonSimbaMupandanyama:

***Ministry and higher***

Admin Elias:

oh. Tombomira ipapo

Hon Simba

Earlier on our information officer posed some questions we struggled to answer.

Before I proceed with my own line of questioning, I will throw her questions to u so that u touch on any that may not have been addressed by your submissions

Is it possible to prosecute individuals and companies who have in my own view secured their earned funds outside the country?

☒ Are there laws that prohibits one from banking their cash outside considering we using a borrowed currency?\*

☒ Does the Gvt have proof of such individuals who cud have externalised funds?

☒ How does it prosecute offenders thru gvt to gvt engagement o RBZ sources?

basically i can rephrase her first question.

Is offshore banking considered externalisation?

then address the last question on Govt to Govt cooperation to prosecute

**Hon Simba Mupandanyama:**

***If a company or individual produces goods and sells them outside the country, which is a crime***

***If one providing services such as consultancy services they are not considered as externalisation***

***A company should declare any foreign bank accounts but with the diaspora. if one opens an account they should provide bank statements from time to time***

***Mining companies have been allowed from time to time to open offshore accounts and transact from offshore but disclosure is then crucial***

**Admin Elias:**

What are the possibilities of some money being smuggled as cash? could this have prompted the introduction of bond notes?

is disclosure alone enough or there are also limits to transacting amounts?

HonSimbaMupandanyama:

***Definitely money left in droves as notes during the time when we were trying to show that we are truly in a multi-currency environment***

***ATMs dispensing USD5, 000 per day. That doesn't happen anywhere***

***Although others argue that the mere announcement of bond notes created flight of USDs***

***Usually when authority is granted it has conditions***

Admin Elias:

Seeing that the moratorium issued by HE has expired, how much can we bank on other countries to help repatriate our funds?

To what extent can the previous and current sanctions influence externalisation and eventual repatriation or lack of?

can this be traced?

HonSimbaMupandanyama:

***What I hear is some of people have owned but they have shown that the money is in property. I think there's hope there***

***Those that haven't come forward could wind up being prosecuted without any recovery because it has been used***

***But I think if it's a proper business they would make arrangements***

***I am told that what the President did was done in India. The first 2 months didn't yield much but the 3rd month was productive***

***Highly unlikely. I don't think there's a system to track who has done so.***

Admin Elias:

Finally, what recommended course of action must the ED administration take regarding this issue?

HonSimbaMupandanyama:

***Energy should be channeled towards production. Boosting exports is crucial in to find a trade balance hence create a reserve.***

***Rethink the foreign loans for things are being produced here.***

***We have to conserve the US dollar and ensure that we return to our own currency soon.***

***Keep people confident that money is safe in Zimbabwe.***

theGodFather:

Right...

That brings us to the end of an informative impromptu Prime Time.

Thank you very much Hon Simba for availing yourself at such a very very short notice and you really left us needing more just that our time is really jealousy.

We will call you once again as we zero in on other issues.

HonSimbaMupandanyama:

***Cde GF***

***Thanks for having. Admin Eli thanks for moderating***

