

# CUSTOMER NOTICE

09 JUNE 2025



## FOREIGN EXCHANGE CONTROL CIRCULAR NUMBER FXC1/2025

### SEED COTTON PAYMENT ARRANGEMENTS FOR THE 2025 SEED COTTON MARKETING SEASON

Reference is made to Section 3.2.23 of the Guidelines to Authorised Dealers and their Clients on Foreign Exchange Transactions issued through Foreign Exchange Directive FXD2/2025 dated 22 April 2025 regarding the accounting for export proceeds in the cotton sector.

POLICY MEASURE	INTERPRETATION	IMPLICATION
Offshore Financing Requirement	Cotton merchants are required to source offshore finance for purchasing seed cotton.	Cotton merchants are advised to register all their offshore funding with Exchange Control. Registration requirements can be obtained through all NMB Bank branches or Account Managers
Registration of Local Borrowings	Cotton merchants without access to offshore finance must register their local loan arrangements with RBZ.	Cotton Merchants must register with the Reserve Bank of Zimbabwe through their respective NMB Bank branches and or Account Managers before purchasing of seed cotton.
Liquidations on drawdowns	On drawdown of loans, 70% must be retained in USD, while 30% must be sold to RBZ in exchange for ZiG.	Merchants must comply with the prescribed 70:30 split on drawdowns
Payments to Cotton Growers	Seed cotton growers shall be paid 70% in foreign currency (USD) and 30% in local currency (ZiG) or as may be determined by RBZ.	Farmers will receive dual-currency payments, supporting both forex access and domestic liquidity, subject to any future RBZ adjustments.

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