



## **PRESS STATEMENT ON THE INTRODUCTION OF BOND NOTES**

The Reserve Bank of Zimbabwe is pleased to advise the nation of the introduction of bond notes with effect from Monday, 28 November 2016. The bond notes will be released into the market through normal banking channels in small denominations of \$2 and \$5 to fund export incentives of up to 5% which will be paid to exporters of goods and services and diaspora remittances. The initial release of bond notes shall be in an amount of \$10 million in denominations of \$2 and \$2 million in \$1 bond coins. The features of the bond notes will be released simultaneously with the bond notes.

The use of bond notes within the multi-currency exchange system which are anchored to the US\$200 million facility will operate along the same lines as bond coins. They are pegged 1:1 to the US dollar. The banking public is advised that no new accounts will be opened as the bond notes would be deposited into existing US dollar accounts.

In line with the Bank's thrust to promote a less cash society through the use of plastic money, withdrawal limits of bond notes have been set at a maximum of \$50 per day and a maximum of \$150 per week. This measure is in tandem with the objective of the Bank to release bond notes into the market on a measured basis which is critical to mitigate against abuse of bond notes.

The Reserve Bank has engaged and agreed with the Retailers Association of Zimbabwe, fuel companies, representatives of the various business associations and the Consumer Council of Zimbabwe on the use and acceptability of bond notes as a medium of exchange in the country.

The Reserve Bank would like to request the public to report any form of malpractice and abuse of bond notes including but not limited to hoarding, defacing, disfiguring or unlawful use of notes and manipulation by person or banks or currency dealers or traders in connection with the use of bond notes.

Such malpractices should be reported to the Reserve Bank of Zimbabwe on toll free numbers Telone – 08006009 and Econet – 08086770.

**Reserve Bank of Zimbabwe**

**26 November 2016**