

# PUBLIC NOTICE

## Notice Of Explicit Deposit Protection Of Foreign Currency Denominated Accounts And/or Nostro FCA Accounts



Circular 1 of 2021

Pursuant to the Deposit Protection Corporation (DPC / Corporation)'s statutory duty to protect depositors in Zimbabwe as provided under Section 5 of the DPC Act [Chapter 24:29], as well as international best practice as enshrined in the International Association of Deposit Insurers' Core Principles, the DPC hereby advises of the commencement of the explicit deposit protection of Foreign Currency Denominated Accounts (FCAs) and/or Nostro FCAs from 31 December 2021.

Following the separation of depositor accounts into Zimbabwe Dollar (ZWL) and Nostro FCAs, there has been no explicit deposit protection of Nostro FCAs in Zimbabwe. To date, the Corporation has been in consultation with stakeholders including the Bankers Association of Zimbabwe (BAZ), the Reserve Bank of Zimbabwe (RBZ), the Ministry of Finance and Economic Development, and the Multi-disciplinary Financial Stability Committee to protect the said deposits.

In view of the foregoing, the public is hereby further advised as follows:

1. The deposit protection maximum cover level shall be USD1,000.00 (One Thousand United States Dollars) per deposit class per banking institution; and USD500.00 (Five Hundred United States Dollars) per deposit class per deposit-taking microfinance institution with effect from 1 January 2022; and
2. Compensation to FCAs holders shall be in foreign currency in the event of occurrence of a compensation event or bank failure.
3. Deposit protection of FCAs or Nostro FCAs shall not be applied retrospectively. It, therefore, shall not apply to any liquidation that is currently underway.

In the event of any queries, please do not hesitate to contact the undersigned.

**V. VUMA**

CHIEF EXECUTIVE OFFICER

30 September 2021

**| PROTECTING YOUR DEPOSITS |**

A Member of the International Association of Deposit Insurers (IADI)

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