



Protecting Your Deposits




## Summary of Deposit Protection Scheme

### Quick Reference Guide

No	Item	Description
1	Administrators	<ul style="list-style-type: none"> <li>Deposit Protection Corporation (DPC)</li> </ul>
2	Date of inception	<ul style="list-style-type: none"> <li>1 July 2003</li> </ul>
3	Governing legislation	<ul style="list-style-type: none"> <li>Deposit Protection Corporation Act [Chapter 24:29]</li> <li>Statutory Instrument 156 of 2013 &amp; 46 of 2014</li> </ul>
4	What is Deposit Protection?	<ul style="list-style-type: none"> <li>Deposit protection is a system that protects depositors against the loss of their insured deposits in the event of failure of a member institution.</li> <li>A deposit protection system contributes to financial stability and helps to prevent bank runs if depositors have confidence that they will have access to their funds quickly when a financial institution fails.</li> </ul>
5	Our Public Policy Objectives	<ul style="list-style-type: none"> <li>Protection of depositors by providing compensation in the event of failure of a member institution.</li> <li>Contributing to the stability of the financial system</li> <li>Enhancing public confidence in the financial system by establishing a framework for the resolution of failing or failed banks.</li> <li>Enhancing competition in the financial sector by creating a level playing field through guaranteeing depositor reimbursements for both big and small banks.</li> <li>Promoting sound business practices in contributory institutions.</li> </ul>
6	Funding	<ul style="list-style-type: none"> <li>DPC gets its funding from premium levies collected from member banks: commercial banks, merchant banks, building societies, finance houses, discount houses, deposit-taking micro-finance institutions, People's Own Savings Bank (POSB) &amp; Infrastructure Development Bank of Zimbabwe (IDBZ).</li> <li>Depositors do not pay premiums for deposit insurance cover.</li> <li>It's a <b>free</b> service to all bank depositors.</li> </ul>

7	<b>Mandate</b>	<ul style="list-style-type: none"> <li>▪ Besides compensating depositors in the event of a bank failure, DPC actively participates in the resolution of failing or failed member institutions, curatorship and liquidation of closed banks.</li> </ul>
8	<b>Membership</b>	<ul style="list-style-type: none"> <li>▪ Membership is mandatory by law for all deposit taking institutions registered under the Banking Amendment Act (2015), Building Societies Act (Chapter 24:21) &amp; Micro-finance Act (Chapter 24:29)</li> <li>▪ Currently membership includes all commercial banks, merchant banks, building societies, finance &amp; discount houses, deposit-taking microfinance institutions, People's Own Savings Bank (POSB) &amp; Infrastructure Development Bank of Zimbabwe (IDBZ).</li> </ul>
9	<b>Classes of deposits covered</b>	<ul style="list-style-type: none"> <li>▪ All types of deposits received by a contributory institution in its usual course of business are protected and include without being limited to the following— <ul style="list-style-type: none"> <li>(a) time/fixed deposits; and</li> <li>(b) demand deposits; and</li> <li>(c) savings deposits; and</li> <li>(d) interest accrued and/or payable on all deposits; and</li> <li>(e) shares in a building society (class B&amp;C shares), other than capital shares, deferred shares or preference shares; and</li> <li>(f) any other liability or financial instrument as may be specified by the Corporation from time to time by notice in the Government Gazette.</li> </ul> </li> <li>▪ Qualifying deposits in individual, corporate and trust accounts in insured institutions are covered by the Deposit Protection Scheme.</li> </ul>
10	<b>Classes of deposits <u>currently excluded</u> from cover</b>	<ul style="list-style-type: none"> <li>▪ securities purchased by contributory institution on behalf of the depositor; and</li> <li>▪ interbank deposits; and</li> <li>▪ government deposits, local or foreign; and</li> <li>▪ a deposit that is not payable in Zimbabwe; and</li> <li>▪ contents of safety deposit boxes; and</li> <li>▪ unit trust/managed funds; and</li> <li>▪ debentures issued by a contributory institution; and</li> </ul>

		<ul style="list-style-type: none"> <li>▪ deposits of executive management, board members or shareholders of a contributory institution; and</li> <li>▪ negotiable certificates of deposit; and</li> <li>▪ bankers acceptances; and</li> <li>▪ repurchase agreements; and</li> <li>▪ capital shares; and</li> <li>▪ deposits deposited by other domestic or foreign banks on their own account; and</li> <li>▪ drafts or managers cheques issued to trade creditors; and</li> <li>▪ any other liability or financial instrument as may be specified by the Corporation from time to time by notice in the Government Gazette.</li> </ul>
11	<b>Cover limit</b>	<ul style="list-style-type: none"> <li>• DPC will strive to compensate at least 90% of depositors in the event of failure of a member institution.</li> <li>• Currently the maximum cover limit is pegged at ZWL \$10,000 per depositor per bank and ZWL\$500 for deposit-taking micro-finance institutions which is paid immediately when a member institution has been closed.</li> <li>• Deposit balances above the cover limit are paid through the liquidation process on a pro-rata basis.</li> <li>• Amount payable to depositors is reviewed from time to time .</li> </ul>
12	<b>Mode of payment for reimbursements</b>	<ul style="list-style-type: none"> <li>▪ Mobile phone and bank transfers.</li> </ul>
13	<b>Benefits of Deposit Protection to Depositors</b>	<ul style="list-style-type: none"> <li>• Deposit protection ensures that depositors do not lose all of their hard earned savings in the event of failure of a member institution.</li> <li>• Depositors will know how and when reimbursement of their deposits will be made in the event of failure of a member institution.</li> <li>• Deposit protection reduces the likelihood of panic withdrawals and bank runs thereby enhancing stability and confidence in the financial sector.</li> <li>• Deposit protection is <b>automatic</b> once a depositor opens an account with an insured institution. Therefore, depositors <b>do not</b> need to complete any application forms.</li> <li>• There is <b>no</b> charge to depositors for deposit protection, banks bear the cost of deposit protection.</li> </ul>
14	<b>Benefits of Deposit Protection to the Financial System</b>	<ul style="list-style-type: none"> <li>• DPC promotes <b>public confidence</b> in the Zimbabwean financial system by protecting depositors against the loss of their deposits.</li> </ul>

		<ul style="list-style-type: none"> <li>• Deposit protection <b>complements</b> the supervisory and regulatory framework by providing incentives for sound risk management in the financial system.</li> <li>• Deposit protection contributes to the <b>stability</b> of the financial system by dealing with failures of financial institutions expeditiously and reimbursing depositors promptly.</li> </ul>
15	<b>Reimbursement &amp; Claim Procedure</b>	<ul style="list-style-type: none"> <li>▪ When a member institution is placed under curatorship, closed or liquidated, the Corporation compensates depositors who have lost their deposits.</li> <li>▪ DPC advises the insured depositors via electronic or print media to collect claim forms from its offices or download from the website (<a href="http://www.dpcorp.co.zw">www.dpcorp.co.zw</a>) in order for them to be compensated.</li> <li>▪ Once a duly completed and certified claim form has been submitted together with supporting documents (copy national ID/ valid passport /valid driver's licence), a depositor is reimbursed within 4 working days from date of submission of a duly completed claim form (under normal circumstances).</li> <li>▪ Payment are made through mobile phone and bank transfers.</li> </ul>
16	<b>DPC Contact Details</b>	<ul style="list-style-type: none"> <li>▪ <b>Physical Address:</b> Evelyn House, 26 Fife Avenue, Cnr Blakiston Street, Harare.</li> <li>▪ <b>Postal Address:</b> P.O. Box 7390, Harare.</li> <li>▪ <b>Telephone:</b> (0242) 250900-1; 252 460</li> <li>▪ <b>Fax:</b> +263 242 252 337</li> <li>▪ <b>WhatsApp:</b> +263 716 801 310</li> <li>▪ <b>Email:</b> <a href="mailto:info@dpcorp.co.zw">info@dpcorp.co.zw</a> / <a href="mailto:amusadziruma@dpcorp.co.zw">amusadziruma@dpcorp.co.zw</a></li> <li>▪ <b>Website:</b> <a href="http://www.dpcorp.co.zw">www.dpcorp.co.zw</a></li> </ul> <div style="text-align: center;">    <p>/DpcZW @DpcZW</p> </div>

### Our Vision

Protecting depositors to contribute to financial system stability by 2021.

### Mission

To protect depositors, enhance public confidence and stability in the financial system by promoting sound business practices and speedy resolution of failed contributory institutions.

### Values

Accountability | Fairness | Teaming | Integrity | Excellence | Transparency