



Investing in People for Social and Economic Justice

ZIMCODD's RESPONSE ON THE STATUS OF THE THREE MONTHS MORATORIUM ON THE RETURN OF EXTERNALISED FUNDS AND ASSETS

On the 28th of November 2017, His Excellency, President E. D. Mnangagwa, issued a 90 day moratorium statement calling on individuals and companies who externalised funds and assets to bring the resources back. The President granted the Amnesty through the Presidential Powers (Temporary) Measures (Amendment of Exchange Control Act) Regulations, Statutory Instrument 145 of 2017.

In a statement presented on the 2nd of March 2018, marking the end of the three months moratorium extended to Companies and Individuals who allegedly externalised funds and assets, President Mnangagwa advised the public that the amnesty had been extended by two weeks.

According to the statement out of 1166 (valued at \$1, 3 billion) cases of externalisation acknowledged by the Government, a total of 105 cases valued at \$250 million were processed by the Reserve Bank of Zimbabwe (RBZ). This represents only 19.2% of the intended value of the eternalised resources.

Thirty cases valued at \$50 million of immovable properties in various countries were reported to RBZ while 210 cases valued at \$287 million pertained to externalised funds that were used to procure imports.

ZIMCODD would like to commend individuals and companies who heeded the President's call to bring back the externalised assets.

However, it is disappointing to note that some Companies and Individuals are yet to comply with the amnesty and this goes against the principles of sound public finance management that calls for transparency and accountability.

ZIMCODD made the following observation,

- Out of 1166 cases of externalisation a total of 105 cases were processed. This shows that only a minimal number of individuals and companies have heeded the call to bring back the externalised funds and assets and this goes against the clarion call for transparency and accountability.
 - In the interest of promoting transparency and accountability, there has to be clarity on how the recovered funds and assets will be utilised for the realisation of citizen's socio-economic rights;
 - In his three months moratorium update, the President assured the nation that outstanding cases will be publicised on the 19th of March 2018. This is a welcome development which resonates well with the principles of Public Finance Management Act and it is ZIMCODD's hope that the information will be made easily accessible;

- By the 16th March 2018 which is the amnesty deadline those who would have failed to return the illegally externalised funds and resources must not only be named but also held answerable for their actions; and
- The Government should desist from nepotism and selective application of the law. It is disappointing to note that some representatives are failing to comply, the case in point being the bold refusal by Honourable Dr. Obert Mpofu to respond to questions raised by the Parliamentary Portfolio Committee on Mines and Mining Development. ZIMCODD condemns the arrogance displayed by Honourable Mpofu which is in contempt of the Parliamentary Portfolio Committee's mandate and defeats the principles of transparency and accountability.
- The government must put in place long term mechanisms to combat IFFs through adopting and domesticating the African High Level Panel on IFFs Report of 2014.

Conclusion

ZIMCODD will continue to monitor progress on the issue. The recovered funds must be used for human development of the Zimbabwean citizens. The Government of Zimbabwe must ensure that it continues to close the gaps that promote illicit financial flows that continue to derail development.