



Reserve Bank of Zimbabwe. 80 Samora Machel Avenue. P.O. Box 1283, Harare, Zimbabwe,
Tel: 263-4-703000, Fax: 263-4-707800, Telex: 26033, 26075 RESZIM ZW, Website: www.rbz.co.zw

AML/CFT Circular No. 2/04/2015

Date: 2 April 2015

To: All banking institutions

And to: Bankers Association of Zimbabwe

OPENING AND OPERATION OF LOW-COST ACCOUNTS

1. Reference is made to the Monetary Policy Statement issued by the Reserve Bank of Zimbabwe in January, 2015, in which banks were encouraged to promote financial inclusion by facilitating the opening and operation of low-cost accounts that require minimal account-opening documentation.
2. The Bank Use Promotion & Suppression of Money Laundering Unit wishes to advise that low-cost accounts are an exception to the normal account opening requirements under Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) statutory and regulatory requirements and should be allowed only under the following parameters:

3. Who qualifies for low cost accounts simplified CDD

3.1. The facility is applicable only to customers:

- who are natural persons (i.e. individuals)



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- who, based on the banking institution's assessment, present a low money laundering and/ or terrorist financing risk;
- who have genuine difficulties in complying with normal CDD requirements, or, where applicable, the simplified CDD requirements as set out in the Unit's circulars Number 1 and Number 2 of 2011.

4. The account opening and operation requirements

4.1. The conditions for opening and operating a low cost account, as stated in the January 2015 Monetary Policy Statement are:

- Account opening deposit of \$5;
- Depositors to earn interest on the balance in their account;
- No balance statement fees;
- Account balance of not more than \$300.

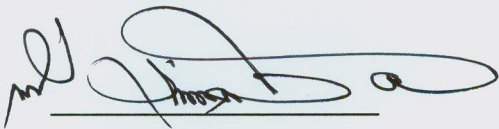
5. Ongoing monitoring of low cost accounts

5.1. The simplified account opening requirements are meant as a policy measure to promote access to financial services by those members of the public who otherwise would not be able to meet the ordinary account opening requirements.

5.2. Banks are, therefore, required to guard against possible abuse of this facility by criminals and ensure strict adherence to the above-stated qualifying criteria.

5.3. Banks should have mechanisms to identify accounts that no longer meet the qualifying criteria and subject such accounts to the normal account opening and CDD requirements or, where applicable, the simplified CDD measures set out in the Unit's Circular 1 and 2 of 2011.

5.4. The Reserve Bank remains fully supportive of any financial inclusion initiatives by banks, individually or collectively, provided there is no money laundering or terrorist financing risks or, where such risk exists, it is adequately managed.

A handwritten signature in black ink, appearing to be 'M. E. Chiremba', written over a horizontal line.

M. E. Chiremba

Director: Bank Use Promotion and Financial Intelligence Unit