



## **RESERVE BANK OF MALAWI**

### **PUBLIC STATEMENT**

#### **AMENDMENT OF EXCHANGE CONTROL REGULATIONS**

The Reserve Bank of Malawi (RBM) wishes to confirm changes made to the Exchange Control Regulations as announced during a press conference that was held on Friday, 21 March 2025.

During the press conference, the Bank announced the following changes: -

1. **Exchange Control (Repatriation of Export Proceeds and Operations of Foreign Currency Denominated Accounts) Regulations, 2025**
  - (a) Reduction of the mandatory conversion ratio on export proceeds from 30% to 25%.
  - (b) Exemption of manufacturers exporting manufactured goods that meet assessment criteria issued by the Bank from the application of the mandatory conversion of their export proceeds.
  - (c) Provision of consideration for a waiver of the mandatory conversion ratio on all exporters that meet an assessment criterion issued by the Bank.
2. **Exchange Control (NGO and Public Sector Foreign Currency Receipts) Regulations, 2025.**
  - (a) Subjection of NGO and Public body funds to the prevailing mandatory conversion at the use of the funds and not at receipt of the funds.

- (b) Adjustment of the mandatory conversion rate from 70% to 50% for NGO foreign currency-denominated accounts.
- (c) Treatment of funds for public universities carrying out research projects as NGO funds, not public body funds.
- (d) Removal of the requirement to convert holding foreign currency-denominated accounts balances after the expiry of eight months.

3. **Notification on review of the Authorised Foreign Exchange Dealer Authorization/Licensing Regime**

The authorized foreign exchange dealer authorization/licensing tenure is undergoing review. The following variations to the authorization/license tenure are proposed:

- (a) For commercial banks and tourist operators, from perpetual to one year.
- (b) For foreign exchange bureaus, money transfer operators, and money transfer agents from three years to one year.

To enact the authorization/licensing regime change, all existing authorizations/licenses will expire on 30<sup>th</sup> June 2025, and new authorizations/licenses will take effect from 1<sup>st</sup> July 2025. RBM shall enact legislation and provide clear guidance on the regime change.

4. **Requirement for Bank Telegraphic Transfer (TT) Copies as Proof of Legitimate Official Financing of Imports**

RBM is introducing a TT verification requirement for importers to demonstrate that their imports have been financed through the formal banking channel to address the use of informal sources of funds to import goods and services.

RBM is working in collaboration with:

- (a) Commercial banks – automate the mechanism of transmitting TT copies to RBM and MRA.

- (b) MRA - implement and enforce the TT Verification Requirement at all import declaration and clearance offices in Malawi.
- (c) Malawi Police Service Fiscal & Fraud Department - reinforce surveillance, investigation, and prosecution of alleged persons who engage in import and export malpractices.

The Reserve Bank of Malawi wishes to advise the general public that the proposed amendments to the Exchange Control Regulations **will be implemented once all legislative processes have been finalised and published in the Government Gazette**. In the meantime, RBM is engaging relevant stakeholders in preparation for the implementation of these amendments.

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**Dr. MacDonald Mwale**

Governor

25 March, 2025