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- **RBZ monitoring suspicious transactions**

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RBZ Governor Dr. John Mangudya

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THE Reserve Bank of Zimbabwe says it is monitoring suspected illicit transactions and some individual bank accounts which are being used for business operations in a calculated move to circumvent corporate scrutiny. RBZ Governor Dr John Mangudya told a breakfast meeting organised by the Institute of Chartered Accountants of Zimbabwe last week that banks have been reporting suspicious transactions every day.

“We have noticed that there are illicit transactions,” said Dr Mangudya.

“Some people are now also using their individual accounts as company accounts. This is typical of Zimbabweans, they are very crafty. These are called illicit financial flows,” he said.

The monetary authorities are, however, on top of the situation and will impeach the suspects.

“As the central bank we are monitoring that and we have received a lot of reports on suspicious transactions that have been made in different banks,” said Dr Mangudya.

“We are looking at those and we will ensure that confidence is restored in the financial sector,” he said.

The governor said Zimbabwe being an open economy does not restrict trade and financial exchange controls are relaxed and therefore there should be no motivation for illicit transactions.

On non-performing loans Dr Mangudya said the Zimbabwe Asset Management Company is currently validating all the NPLs before adoption.

He said the NPL ratio has been maintained at the September level of 20 percent and is envisaged to be maintained below that level going forward.

“ZAMCO has started very well and the International Monetary Fund team has been around giving technical assistance and the results that they came up with are in line with Government thinking to make sure that we deal with NPLs,” he said.

The central bank is fighting the perception war which has been exacerbated by the psychological effects of hyperinflationary era.

“I see Zimbabwe as a financially traumatised society; it’s almost like a rape case. We expect things to go gradually, the multi-currency system is here to stay,” he said.

The central bank chief believes that the negative perceptions on Zimbabwe have been amplified.

“We need Zimbabwean pride, our assets in this economy are much higher than the liabilities but we are undermining ourselves as a country,” said Dr Mangudya.

Zimbabwe’s economy is resilient and will not collapse, according to the apex bank chief.

“If it was so bad, by now the country would have collapsed, but deposits are going up despite other people taking money out of this economy. This economy is too rich to be poor, but what is needed in this country is discipline,” he said.

“We are fighting the war of perception. We should make sure that the depositors’ money is protected,” he added.