



ISSUE OF RBZ GOLD-BACKED DIGITAL TOKENS No.1/2023

The Reserve Bank of Zimbabwe (RBZ) hereby invites applications from **Individuals, Financial Institutions, Corporates and Other Entities** to subscribe for the issuance of RBZ Gold-Backed Digital Tokens No.1/2023.

Applications for the RBZ Gold-Backed Digital Tokens must be for a minimum of US\$10 for individuals and US\$5,000 for financial institutions, corporates and other entities. Application forms are available from **RBZ, Commercial Banks, Building Societies and the People's Own Savings Bank (POSB)**.

Completed Application Forms should be submitted through Commercial Banks, Building Societies and the POSB. The application form and prospectus for the RBZ Gold-backed digital tokens are attached to this issuance note.

Features of the Gold-Backed Digital Tokens

Issuer:	Reserve Bank of Zimbabwe
Vesting Period:	180 days
Purpose of Issue:	To provide investors with a platform to save, invest and transact in gold
Offer Opens:	Monday, 8 May 2023 at 0800 hours
Offer Closes:	Wednesday, 10 May 2023 at 1 200 hours
Payment:	Thursday, 11 May 2023
Issuance Date:	Friday, 12 May 2023

Special Features

- Prescribed Asset Status & Liquid Asset Status;
- Acceptable as collateral and tradable;
- Bearer instrument;
- Settlement will be done in local or foreign currency.

For further details, contact RBZ Dealers on +263242703000;

RESERVE BANK OF ZIMBABWE

4 MAY 2023



RBZ GOLD-BACKED DIGITAL TOKENS No.1/2023 APPLICATION FORM

...../.....2023

The Director, Financial Markets
Reserve Bank of Zimbabwe
80 Samora Machel Avenue
P.O. Box 1283, **HARARE**

Dear Sir

I/We hereby irrevocably apply for the RBZ Digital Gold Tokens 1/2023 as (tick below):

Individual	<input type="checkbox"/>
Corporate	<input type="checkbox"/>
Amount in USD	<input type="checkbox"/>

SETTLEMENT (Tick Below)

ZWL	<input type="checkbox"/>
USD	<input type="checkbox"/>

AMOUNT (words).....

(figures).....

Signed at this..... day of2023

Yours faithfully,

Full Name & Address

.....

Phone.....Cell

Signature.....e-mail.....



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No. 1/2023**

PROSPECTUS

PURPOSE OF ISSUE

The RBZ Gold-backed Digital Tokens are being issued to expand the value-preserving instruments available in the economy, enhance divisibility of the investment instruments and widen their access and usage by the public. The digital tokens will be issued for investment purposes with a vesting period of 180 days and redeemable in the same way as the existing physical gold coins. The digital tokens will be available for sale, through banks, in both foreign and local currency. Banks will create dedicated or specific accounts for the holding of the gold-backed digital tokens (e-gold wallets or e-gold cards). Holders of physical gold coins, at their discretion, will be able to exchange or convert, through the banking system, the physical gold coins into gold-backed digital tokens.

The digital tokens held in either e-gold wallets or e-gold cards will be tradable and capable of facilitating Person-to-Person (P2P) and Person-to-Business (P2B) transactions and settlement. It therefore means that the gold-backed digital tokens would be used both as a means of payment and a store of value.

LEGAL FRAMEWORK FOR THE ISSUE

The Gold-Backed Digital Tokens (the digital tokens) are issued in accordance with the provisions of section 7 (d) of the Reserve Bank of Zimbabwe Act [Chapter 22:15] (the Act) which empowers the Bank "...to buy, sell, discount or re-discount—

- (i) bills of exchange and promissory notes drawn or issued for commercial, industrial or agricultural purposes;
- (ii); and
- (iii) bills, notes and other obligations issued by itself;"

The issue is also in line with Section 47(3) of the Act that gives the Bank the discretion to buy, sell, and hold gold and foreign exchange assets "for the purpose of maintaining the value of the Zimbabwe dollar and for such other purposes as it considers necessary or expedient..."

PRICING

The pricing of the Digital Tokens in foreign currency shall remain the same as the pricing model of the physical gold coins as informed or guided by the international gold price as determined by the London Bullion Market Association (LBMA) PM fix. Payment for the digital tokens or physical gold coins in local currency shall be at a 20% margin above the willing-buyer willing-seller interbank mid-rate.

APPLICATIONS

Applications will be through banks, building societies and the POSB. Applications must be for a minimum of US\$10 and US\$5,000 for individuals and corporates and other entities (including financial institutions), respectively. The Reserve Bank reserves the right to accept or reject any application or part thereof.

The full payment for allotted digital tokens shall be made on the settlement date through the normal payment systems.

Application for this issue must be on the form provided with this prospectus and should be addressed to the Director, Financial Markets, 80 Samora Machel Avenue, Harare and forwarded to the following email address: localdesk@rbz.co.zw.

SOURCE OF FUNDS

Investors cannot use borrowings to finance the purchase of tokenized gold coins. The Financial Intelligence Unit shall take appropriate action in respect of any suspicious sources of funding. Financial institutions are required to exercise Know Your Customer (KYC) principles.

ISSUANCE

The digital tokens will be issued in milligrams, which is one thousandth of a gram, through custodian banks within the Central Securities Depository (CSD) payment system.

REGISTRATION

Transfer of the digital tokens will be done through the custodial banks which will split allotments to its various customers' accounts.

REDEMPTION

The digital tokens can be redeemed after the vesting period of 180 days, based on the international gold price as determined by the London Bullion Market Association (LBMA) PM fix, payable in either local or foreign currency as is the case with physical gold coins. Payments will be done through the nominated custodial banks.

This Prospectus and application forms may be obtained from the Reserve Bank of Zimbabwe website, banks or upon request via the following email: localdesk@rbz.co.zw

Reserve Bank of Zimbabwe
Harare, Zimbabwe

4 May 2023