



PRESS STATEMENT

ISSUANCE AND USAGE OF GOLD-BACKED DIGITAL TOKENS

Pursuant to the resolution of the Monetary Policy Committee (the MPC) on 28 March 2023 to complement the issuance of physical gold coins with gold-backed digital products, the Bank wishes to advise that it will be issuing gold-backed digital tokens with effect from 8 May 2023. The gold-backed tokens will be fully backed by physical gold held by the Bank.

As previously advised, the issuance of the gold-backed digital tokens is meant to expand the value-preserving instruments available in the economy and enhance divisibility of the investment instruments and widen their access and usage by the public.

The issuance and usage of the gold-backed digital tokens shall be in two phases as follows:

- (i) **Phase 1:** Gold-backed 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 tokens will be available for sale, through banks, in both foreign currency and Zimbabwe dollar. 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.
- (ii) **Phase 2:** The gold-backed 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 settlements. It therefore means that the gold-backed digital tokens would be used both as a means of payment and a store of value.

The Bank also advises that the pricing of the gold-backed 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 gold-backed digital tokens or physical gold coins in Zimbabwe dollar shall remain at the current 20% margin above the willing-buyer willing-seller interbank mid-rate.

John P Mangudya

Governor

28 April 2023