

Zimbabwe

Export Credit Reinsurance Act

Chapter 24:06

Legislation as at 31 December 2016

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Export Credit Reinsurance Act (Chapter 24:06)

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Export Credit Reinsurance Act Chapter 24:06

Commenced on 1 October 1965

[This is the version of this document at 31 December 2016 and includes any amendments published up to 31 December 2017.]

[Note: This version of the Act was revised and consolidated by the Law Development Commission of Zimbabwe. This version is up-to-date as at 31st December 2016.]

AN ACT to make provision for the promotion of trade with countries outside Zimbabwe by providing for the reinsurance with the State of insurance contracts in connection with export transactions and loans or similar facilities connected with such transactions.

1. Short title

This Act may be cited as the Export Credit Reinsurance Act *[Chapter 24:06]*.

2. Interpretation

In this Act—

“**contract of reinsurance**” means a contract of reinsurance entered into in terms of an agreement referred to in section three;

“**external country**” means any country, of any description whatsoever, other than Zimbabwe;

“**Fund**” means the Export Credit Reinsurance Fund established under section four;

“**Minister**” means the Minister of Industry and Commerce or any other Minister to whom the President may, from time to time, assign the administration of this Act;

“**person**” includes any government agency or semi-government agency;

“**Secretary**” means the Secretary of the Ministry for which the Minister is responsible;

“**trade with an external country**” includes—

- (a) any transaction, including the rendering of a service, which involves a consideration in money or money's worth accruing from a person in the course of carrying on business or other activities outside Zimbabwe to a person carrying on business in Zimbabwe;
- (b) any consignment of goods to a person carrying on business or other activities outside Zimbabwe with a view to a transaction referred to in paragraph (a);
- (c) a sale of goods to a person who intends to export such goods from Zimbabwe;
- (d) a loan or similar facility connected with a transaction referred to in paragraph (a), (b) or (c) and granted by a person carrying on business in Zimbabwe to a person carrying on business or other activities outside Zimbabwe.

3. Agreements for reinsurance

- (1) The Minister may, against payment of such premium and on such terms and conditions as he may specify after consultation with the Minister responsible for finance, enter into an agreement with an insurer registered in terms of the Insurance Act *[Chapter 24:07]* for the reinsurance of any contract of insurance such as is described in subsection (2).

- (2) A contract of insurance which the Minister may reinsure in terms of subsection (1) shall be for the indemnification of a person carrying on business in Zimbabwe against risk of monetary loss or detriment—
- (a) attributable to circumstances beyond the control of the person so indemnified; and
 - (b) occasioned in the course of trade with an external country; and
 - (c) caused by or arising out of any one or more of the following—
 - (i) the operation of a law, or of an order, decree or regulation having the force of law, which prevents, restricts or controls—
 - (A) the transfer of payments from an external country to Zimbabwe; or
 - (B) the importation of goods into an external country;
 - (ii) the occurrence of war;
 - (iii) the occurrence of hostilities, civil war, revolution, insurrection, boycott, strike or other disturbance outside Zimbabwe;
 - (iv) the occurrence of any other event or situation whatsoever which the Minister, with the approval of the Minister responsible for finance, deems to be an event to which the provisions of this section should apply.

4. Financial arrangements

- (1) The Minister shall establish a fund, to be known as the Export Credit Reinsurance Fund, under the control of the Secretary, into which shall be paid moneys appropriated by Act of Parliament for the purposes of this Act, premiums and other moneys accruing to the Minister under contracts of reinsurance, and such other moneys as may accrue to the Fund.
- (2) All moneys received by the Minister on behalf of the Fund shall be paid into a banking account and no moneys shall be withdrawn therefrom except by means of cheques signed by such person or persons as may be authorized by the Minister.
- (3) There shall be paid out of the Fund—
 - (a) all moneys required for the discharge of claims or other liabilities under contracts of reinsurance; and
 - (b) any moneys required for the discharge by the Minister of a claim made by a person insured under a contract of insurance in connection with trade with an external country, where the Minister, with the approval of the Minister responsible for finance, considers that, although no liability exists under the contract by reason of some inadvertent act or omission on the part of the insured, liability ought in the special circumstances of the case to exist; and
 - (c) any remuneration and allowances referred to in sections five and six; and
 - (d) such other costs of administering this Act as may be determined by the Minister.
- (4) The Minister, in consultation with the Minister responsible for finance, shall from time to time determine the amount in the Fund which shall be kept available for the payment for any claims, liabilities, fees and costs referred to in subsection (3) and any moneys in excess of the amount so determined shall be paid into the Consolidated Revenue Fund.
- (5) The Minister shall from time to time, in agreement with the Minister responsible for finance, determine a maximum amount which the contingent liability on the Fund under contracts of reinsurance shall not exceed.

- (6) The Minister may withdraw from the Fund and invest in such manner as may be approved by the Minister responsible for finance any moneys which may be surplus to the immediate requirements of the Fund.
- (7) If in the opinion of the Minister it is necessary in order to meet any unforeseen contingency or expenditure incurred by him in connection with the administration of this Act or to meet any temporary deficiency in the Fund, he may borrow money for the purpose by such means and upon such terms and conditions as are approved by the Minister responsible for finance and deficiencies which for any reason are not met out of moneys borrowed in terms of this subsection shall be met out of the Consolidated Revenue Fund which is hereby appropriated for the purpose.
- (8) The Minister shall cause to be kept proper books of account, and other books and records in relation thereto, which shall be balanced up to the 30th June in each year, and in which shall be recorded all the financial transactions of the Fund.
- (9) The accounts of the Fund shall be audited by the Comptroller and Auditor-General who shall for the purpose have all the powers conferred upon him by the Audit and Exchequer Act [Chapter 22:03], and shall embody such accounts in his annual report made to Parliament in terms of that Act.

5. Advisory committees

- (1) The Minister may establish such committees as he may deem necessary to advise him on any matter in connection with the administration and operation of this Act.
- (2) The members of any such committee—
 - (a) who are members of the Public Service, shall hold office at the Minister's pleasure;
 - (b) shall be appointed on such conditions, and be paid out of the Fund such remuneration and allowances, as the Minister may determine in consultation with the Minister responsible for finance.

6. Administration

- (1) The Minister may enter into agreements with persons whereunder those persons undertake to perform any work arising from this Act and from any reinsurance effected under this Act; and those persons may be paid out of the Fund such remuneration and allowances as the Minister may determine in consultation with the Minister responsible for finance.
- (2) Nothing in subsection (1) or section five shall be construed so as to prevent the Minister administering this Act through his Ministry.

7. Delegation of powers

Any power which may be exercised under this Act by the Minister alone may be exercised by any officer in his Ministry deputed thereto by him, and any power which may be exercised under this Act by the Minister in consultation with the Minister responsible for finance may be exercised by any officer in the aforesaid Ministry in consultation with an officer in the Ministry responsible for finance respectively deputed thereto by the Minister and the Minister responsible for finance.

8. Offences and penalties

- (1) Any person who wilfully makes false or misleading statements in or in connection with a contract of insurance which forms the subject of a contract of reinsurance shall be guilty of an offence and liable to a fine not exceeding level ten or to imprisonment for a period not exceeding two years or to both such fine and such imprisonment.

[subsection as amended by section 4 of Act No. 22 of 2001]

- (2) Whenever any person is convicted of an offence under this Act, he shall forfeit all rights under the contract of insurance in respect of which such offence was committed and the court so convicting him may summarily inquire into and assess the monetary equivalent of any advantage which he may have gained in consequence of that offence, and may, in addition to any other penalty imposed in respect of that offence, impose upon him a fine not exceeding the amount so assessed.

[subsection as amended by section 4 of Act [No. 22 of 2001](#)]

- (3) A magistrates court shall have jurisdiction to impose such additional penalty as is referred to in subsection (2) even though such penalty may, either alone or together with any other penalty imposed by that court, exceed the punitive jurisdiction of a magistrates court.

9. Regulations

The Minister may make regulations for the better carrying out of the objects and purposes of this Act.