



**ZIMBABWE EZEKIEL GUTI UNIVERSITY**  
**FACULTY OF LAW**

**EXAMINATION PAPER**

**COURSE CODE** : LLB 007  
**COURSE TITLE** : BANKING LAW - LLB 007 2022  
**DURATION** : 3 Hours  
**LEVEL** : 5.1 & 5.2 FEB 2022  
**DATE** :

**INSTRUCTIONS TO CANDIDATES:**

1. This exam is out of 70
2. Answer three questions.
3. **SECTION A** is compulsory.
4. Choose any two questions from **SECTION B**.

**INFORMATION FOR CANDIDATES**

1. This Exam is an open book exam, therefore notes, hand-outs, statutes and textbooks **are allowed** into the examination.
2. Cellphones **are not** allowed into the examination room.
3. Begin each answer to a full question on a fresh page.

**NB:** DO NOT TURN OVER THE QUESTION PAPER OR COMMENCE WRITING UNTIL INSTRUCTED TO DO SO.

## **SECTION A**

**Answer all questions in Section A**

### **Question One**

‘Notwithstanding the rapid developments in the adoption of mobile money payment systems by Mobile Network Operators (**hereinafter referred to as MNOs**) as a viable option for the vast majority of the Zimbabwean population, these payment systems are accompanied by a highly volatile and unpredictable regulatory framework that continues to pose a challenge towards the further development of mobile money transfers as a thriving business model’

In light of the above quotation, you are summoned to write a legal article commenting on the legality, advantages and disadvantages of mobile money payment systems by **MNOs** within the Zimbabwean context. You can consider some of the following factors in your article:

- a) In the Zimbabwe spectrum, does mobile money transfers constitutes money or legal tender from a legal point of view?
- b) Do **MNOs** qualify as deposit-taking institutions?
- c) Should **MNOs** that offer mobile money transfers be subjected to the same whims of prudential regulatory measures applicable to banks?
- d) Is there is a need for Zimbabwe to adopt a new regulatory framework specifically for these mobile money transfer systems?

**[30 Marks]**

## **SECTION B**

**Answer any two questions of your choice from this section**

### **Question Two**

‘The Covid-19 pandemic is causing widespread concern and economic hardships for businesses worldwide and the banking industry is hardly an exception. While the duration and future impact of this pandemic remains uncertain, major banking corporations have already adopted business continuity plans. For banking corporations, adopting and enforcing a sound business continuity plan is the key to survive through these tough times and emerge stronger in the future’

With reference to the above quote, explain the challenges that Zimbabwean (and indeed global) banking sector has faced as a result of the pandemic and secondly, the measures which the industry has adopted and implemented/or can adopt and implement to soften the impact of the crisis. **[20 Marks]**

### **Question Three**

'Any conversation about Crypto-currency or Crypto-assets as a medium of exchange or legal tender in Zimbabwe should adopt a practical approach in understanding the nature of business opportunities and risks involved rather than blindly adopting it as technology project for banks to manage'. In line with the above quotation critically discuss the advantages and disadvantages of both crypto-currency and crypto-assets in the banking industry.

[20 Marks]

#### **Question Four**

The Zimbabwean financial market is under the direct oversight of five principal agencies charged with the responsibility of financial regulation and supervision and these are: The Reserve Bank of Zimbabwe (RBZ); The Ministry of Finance; The Deposit Protection Board; The Securities Exchange Commission (SEC); and The Insurance and Pensions Commission (IPEC)

Discuss the role, functions and composition of each of the mentioned five principal agencies relying on the relevant empowering legal provisions.

[20 Marks]

#### **Question Five**

Outline and explain the various legal instruments that regulate the banking industry in Zimbabwe. From your own observation, motivate whether these legal instruments are sufficient or deficient.

[20 Marks]