



BANK of ZAMBIA  
OFFICE OF THE GOVERNOR

08 April 2002

CB Circular No. 6 /2002

**TO: ALL COMMERCIAL BANKS**

Dear Sirs/Madam

**FOREIGN EXCHANGE RATES**

Kindly be advised that with effect from today Monday 8<sup>th</sup> April 2002, all commercial banks posted buying rates should not exceed the Bank of Zambia dealing rate by **2 percent for all purchases in the foreign exchange market**. Commercial banks will be required to comply with the **2 percent** spread between the buying and selling rates as announced by the Minister of Finance and Economic Planning in February 2001. In addition, the spread between the Bank of Zambia dealing rate and commercial banks' selling rate should not exceed 4%. Commercial banks that will not comply with this requirement will be excluded from participating at the Bank of Zambia foreign exchange dealing window. The Bank of Zambia shall closely monitor the displayed and reported rates.

This action has been necessitated by the fact that commercial banks have consistently breached the **2 percent** spread in determining the transaction rates. Furthermore, commercial banks' transaction rates are not consistent with the Bank of Zambia dealing rate as reflected in the excessive divergence between the two rates.

  
Dr. Jacob M Mwanza  
GOVERNOR