



BANK OF ZAMBIA
OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

April 16, 2012

To: All Financial Institutions

CB Circular No: 06/2012

MONEY CIRCULATION SCHEMES

It has come to the attention of the Bank of Zambia that certain individuals and entities have been involved in money circulation schemes and have been approaching members of the public asking them to deposit funds into various accounts for investment. A Money Circulation Scheme is a plan, arrangement, agreement or understanding, between two or more persons which involves the pooling and distribution of funds by recruitment of subscribers. The continuation of such a scheme and the realisation of any of its benefits depend on the incremental recruitment of subscribers from the public for an unspecified period.

The schemes take various forms but are generally operations which promise high returns through the use of the principal received from new investors to make payments to initial investors by falsely characterizing these payments as returns or profits.

Section 127A of the Banking and Financial Services Act prohibits money circulation schemes. The promoters of such schemes are therefore liable to arrest and prosecution.

The Bank of Zambia has so far identified the following individuals and entities suspected to be involved in money circulation schemes:

Liweleya Likwasi Peter
Lwesa Community Empowerment Club
Lwesa Community General Dealers
Lwasha Club
Roozberg Enterprises
Festus Tembo
Chiluba Chikoti
Doreen Goma
Saphila Goma
Tedeyo Lungu
Fountain of Success Empowerment GD
Ndalameta Matildah
Chama Gideon
Mwansa Phenia

...2/-

Financial institutions are hereby directed to immediately report to the Anti- Money Laundering Investigations Unit of the Drug Enforcement Commission and inform Bank of Zambia the existence of the above accounts in their books. Further, financial institutions are required to conduct appropriate customer due diligence of their customers with a view to identifying and reporting any other such accounts or transactions suspected to be money circulation schemes. The deadline for the submission of all reports is 24th April 2012.



Bwalya K. E. Ng'andu (Dr)
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