



BANK of ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

October 21, 2005

CB Circular No: 07 /2005

To : All Commercial Banks

COUNTERFEIT BANKNOTES

Following recent reports of counterfeits that were discovered in some parts of the country, the Bank of Zambia wishes to inform all commercial banks to take extra precautions in their normal business transactions with customers.

The Bank further advises commercial banks to urge staff to look out for security features on the banknotes, particularly when handling bulk cash transactions. All commercial banks should sensitise their members of staff regarding this matter so that they are thoroughly familiar with the security features embedded in genuine banknotes. These features range from the durable special paper itself to the add-on security features, such as, holograms and threads. Other features are machine readable and include phosphorous that glows and shows the value of the banknote when exposed to ultra-violet light.

We however emphasise that due to the ever increasing sophistication and evolving nature of counterfeits, it is not possible, nor is it our intention, to describe in detail what to expect on counterfeit notes. For this reason, our advice to cash handlers focus on the most common and effective features that should be looked out for. We itemize below some of the most readily detectable security features to note for your ease of reference in respect to the K5,000, K10,000, K20,000 and K50,000 banknotes:

1. Compare the features of a genuine banknote with the one you suspect to be counterfeit. The print on genuine banknote is usually clearer and sharper;
2. Tilt the genuine banknote and you will observe the changing images of the multi-image hologram patch for the K10,000, K20,000, K50,000 and latent image for the K5,000 banknotes. Genuine banknotes have a multi-image hologram which is a bright gold/silver patch, with changing images and colours. This is not usually the case for counterfeit banknotes;

3. All genuine banknotes, especially when in a relatively good condition, will have raised print on most parts of the notes which can be felt to the touch whereas a counterfeit note normally has a smooth or flat feel;
4. Genuine banknotes have a distinct watermark which appears as a Fish Eagle's head when viewed against light. Normally, counterfeits would not have the watermark;
5. Genuine banknotes have a security thread with BOZ reversed-out printing. This thread appears as a single line when viewed against light. Counterfeits would not usually simulate this reversed printing which appears as a broken line; and
6. No two genuine banknotes have the same serial number.

Kindly disseminate this information to all your branches. Please note that all counterfeits detected must be reported and surrendered to the Bank of Zambia or the Zambia Police Service immediately.

If you need further clarification or information, please do not hesitate to contact the following:

The Director – Banking, Currency and Payment Systems
Banking, Currency and Payment Systems Department
Bank of Zambia
P O Box 30080
LUSAKA

or

The Regional Director
Regional Office
Bank of Zambia
P O Box 71511
LUSAKA

We look forward to your usual co-operation.



Denny H Kalyalya (Dr)
DEPUTY GOVERNOR – OPERATIONS

Cc: Governor
Chairperson- Bankers Association of Zambia
Director – Banking, Currency and Payment Systems