



BANK OF ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

December 11, 2006

CB Circular No: 08/2006

TO : All Commercial Banks

ITEM VALUE LIMIT (IVL) IMPLEMENTATION

The Bank of Zambia has with immediate effect started paying eligible creditors and suppliers electronically via the Real Time Gross Settlement system. This is intended to facilitate migration from the traditional and familiar cheque payment system to the more secure and efficient ZIPSS/RTGS system.

Implementation of this initiative at the Bank of Zambia is expected to be fully completed by January 1, 2007. This timeframe provides an opportunity for education campaigns to be undertaken on a continuous basis to facilitate a better understanding by the business community and the general public. The continuing campaigns and surveys will also provide a feedback mechanism to facilitate improvements on ZIPSS/RTGS payment stream.

In this regard, you are all hereby requested to encourage your customers to use the ZIPSS/RTGS for large value and time critical payments and to conduct educational/sensitisation campaigns accordingly. In addition, you are also requested to utilise the ZIPSS/RTGS when making large value and/or time critical payments to your creditors and suppliers. As you make payments for all tax obligations and to all your suppliers using ZIPSS/RTGS, this will facilitate speeding up the implementation of IVL, which has been under discussion for some time now.

PP. Denny H Kalyalya (Dr)
DEPUTY GOVERNOR - OPERATIONS

Cc: Governor
Deputy Governor-Administration