



BANK OF ZAMBIA
OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

6 May 2002

CB Circular No. 9/2002

TO : ALL COMMERCIAL BANKS

FOREIGN EXCHANGE RATES (CIRCULAR 6/2002)

Following the issuance of CB Circular 6/2002, the Bank of Zambia (BoZ) has observed that commercial banks margins on foreign exchange transactions have narrowed within limits deemed to be consistent with a stable and competitive foreign exchange market.

Following this positive development, the BoZ is with immediate effect, withdrawing CB Circular 6/2002. This circular was implemented with the main objective of promoting a stable and competitive Kwacha exchange rate following the emergence of speculative margins commercial banks were applying in their foreign exchange transactions. The intervention was further aimed at maintaining the integrity of the BoZ dealing window auction system.

The BoZ will continue to observe developments in the foreign exchange market with a view to maintaining a stable and competitive Kwacha exchange rate and integrity of the BoZ dealing window.

A handwritten signature in black ink, appearing to read 'Mwenda'.

Dr Abraham Mwenda
DEPUTY GOVERNOR – OPERATIONS