



BANK OF ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

June 30, 2003

CB Circular No. 10/2003

To : All Commercial Banks

**DETERMINATION OF THE BANK OF ZAMBIA BUYING RATE**

As you are aware, the Bank of Zambia, in consultation with the various stakeholders in the foreign exchange market, has commenced the process of implementing the broad-based interbank foreign exchange system.

In line with the objectives of the broad-based interbank foreign exchange system, the Bank of Zambia wishes to begin re-aligning its official rates to the market rates. As a first step in this process, the Bank of Zambia wishes to advise that effective **Tuesday July 1, 2003**, the weighted average rate of all the successful bids in the auction shall become the Bank of Zambia buying rate. The current system of determining the rate, where the marginal rate struck in the auction becomes the Bank of Zambia buying rate, will be discontinued.

However, the application of the spread of 1.6 percent to obtain Bank of Zambia selling rate shall be maintained. Further, the spread between the selling and buying rates shall continue to be within the range of 1.1 – 2 percent.

**Denny H Kalyalya (Dr)**  
**DEPUTY GOVERNOR – OPERATIONS**

Cc: Governor