



BANK of ZAMBIA
OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

May 10, 2012

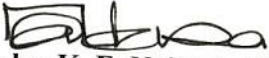
CB Circular No: 10/2012

To : All Commercial Banks

**DISPLAY OF NOTICES ON CONSEQUENCES OF BOUNCING CHEQUES ON
INSUFFICIENTLY FUNDED ACCOUNTS**

Further to CB Circular 7/2010 all commercial banks are now required to place large notices in their branches warning customers of the consequences of willfully bouncing cheques on insufficiently funded accounts. The notices should be based on the attached template.

Commercial banks should place the notices in their branches with effect from 30 June 2012.


p.p. Bwalya K. E. Ng'andu (Dr)
DEPUTY GOVERNOR - OPERATIONS

Att.

NOTICE

BOUNCING OF CHEQUES

Dear customers, please note that it is a criminal offence to wilfully issue a cheque on an insufficiently funded account. A person who wilfully issues a cheque on an insufficiently funded account is liable upon conviction to imprisonment for a term of two years and/or a fine equivalent to K18 million under the National Payment Systems Act.

Please also note that additional measures shall be instituted on customers who issue cheques on insufficiently funded accounts in accordance to the National Payment Systems Directives on Cheques and Direct Debit Instructions Issued on Insufficiently Funded Accounts. A penalty of K504,000 shall be levied on any corporate customer who bounces a cheque due to insufficient funds while a penalty of K306,000 shall be levied on individual customers. Furthermore, a customer who issues cheques on an insufficiently funded account on three occasions within a period of twelve consecutive months shall have their cheque facility withdrawn.