



BANK Of ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - ADMINISTRATION

28 March, 2014

CB Circular No: 11/2014

TO : All Heads of Commercial Banks

REVISION TO THE INTERBANK FOREIGN EXCHANGE MARKET (IFEM) FRAMEWORK

Reference is made to CB Circular No. 21/2013, dated 16 December 2013, in which we advised the change in the marketable threshold to US\$1.0 million and the Bid/Ask spread to K0.01.

Kindly be advised that in an effort to moderate exchange rate volatility and bring orderliness to the foreign exchange market, the Bank of Zambia wishes to advise that the following changes have been made to the Interbank Foreign Exchange Market (IFEM).

1. The marketable amount for the two-way quote has been revised to a range of US\$0.5 million - US\$1.0 million from the current US\$1.0 million.
2. The Bid/Ask Spread has been increased to a maximum of K0.02 from K0.01 in order to enhance price discovery.

These measures are with immediate effect.

Please note that, the Bank of Zambia will review these measures depending on market conditions.


Dr Tukiya Kankasa-Mabula
DEPUTY GOVERNOR – ADMINISTRATION

Cc Governor