



BANK of ZAMBIA
OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

16 August 2012

CB Circular No: 14/2012

To : All commercial Banks

IMPLEMENTATION OF CHEQUE TRUNCATION CLEARING SYSTEM IN ZAMBIA

Reference is made to circular No. 13/2012 dated August 7, 2012.

We have noted through recent meetings held with commercial banks and service providers to assess preparedness of the industry for the implementation of the cheque truncation system, that there are a number of critical issues that need to be resolved. These include the following:

- During the User Acceptance Testing (UAT) the core Cheque Truncation System has been unstable as banks have been experiencing challenges in transmitting files to the ZECHL. As a result, the level of UAT conducted thus far is unsatisfactory.
- Some vendors have not completed installations of the clearing solutions in a number of banks resulting in the failure to conduct thorough tests on both the Electronic Funds Transfers (EFT) and the Cheque Image Clearing streams.
- A number of banks have not yet tested transmission of files from their branch networks to their respective clearing centres.
- It has been observed that not a single bank has printed and issued CTS compliant cheques to their customers. So far, only two banks have had their Cheque proofs certified by ZECHL, while the rest of the banks are at different cheque validation stages.

Given the challenges highlighted above, the Bank has found it necessary to direct as follows:

1. All commercial banks are expected to submit sample cheques to ZECHL for validation by Friday 31st August 2012.

2. All commercial banks will be required to indicate at the next meeting when they expect to have CTS compliant cheques ready.
3. All commercial banks and system vendors will be expected to attend weekly meetings to be held at the Bank of Zambia every Wednesday to assess progress on the UAT and general preparedness.

In view of the above, and taking into consideration the systemic importance of the Cheque Clearing and Electronic Funds Transfer streams, we wish to advise that the go live date for the CTS project has been moved from 17th August 2012, to a date to be advised after an assessment of the industry preparedness has been determined.

Kindly be advised accordingly.



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

cc Governor
Deputy Governor – Administration
Director – Banking, Currency and Payment Systems
Manager - ZECHL