



BANK of ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

August 21, 2012

CB Circular No: 15/2012

To : All Commercial Banks and Non-Bank Financial Institutions

CHANGEOVER DATE FOR THE REBASED CURRENCY

The Bank of Zambia wishes to inform all Financial Institutions that the changeover date for the rebased currency has been set as 1st January, 2013.

Consequently, the rebased currency shall become legal tender on 1st January, 2013 and accordingly will be accepted as a medium of exchange in the Republic of Zambia.

The Bank of Zambia will distribute the rebased currency to the Sub Chests throughout the country in the usual manner. Commercial banks will be required to uplift the rebased currency from Sub Chests to their respective branches.

In order to accelerate withdrawal of the old currency, Financial Institutions will be expected to pay out to customers only in the rebased currency with effect from 1st January, 2013. This will ensure that old currency received as deposits by Financial Institutions from the public is in turn deposited at the Bank of Zambia, thus progressively taking it out of circulation. In addition, only rebased currency shall be dispensed from ATMs with effect from 1st January, 2013. Accordingly, all amounts shown on receipts and POS machines shall be expressed in the rebased currency utilising the new currency code - ZMW.

The period from 1st January, 2013 to 30th June, 2013 has been designated as the transition period during which both the old and the rebased currencies will circulate simultaneously. At the end of the transition period, the simultaneous circulation of currencies will cease and the old currency shall not be accepted for ordinary transactions. However, Financial Institutions shall continue to exchange old banknotes and coins for the rebased currency from both clients and non-clients at no fee. The exchange of old currency for the rebased currency at Financial Institutions is expected to continue for 18 months until 31st December, 2014.

All Financial Institutions are required to commence preparations for the adaptation of all systems and infrastructure, which must be completed by 30th November, 2012 in readiness for the changeover date of 1st January, 2013.

Therefore, all Financial Institutions are hereby requested to ensure that they are adequately prepared in order that accounting and banking packages, related software and infrastructure are tested and are ready for use under the rebased currency.

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It is further expected that effective 1st January, 2013;

1. All balance sheet items as at close of business on 31st December, 2012 shall be converted to the rebased currency on 1st January, 2013. All data maintained on banking, accounting and other processing packages shall be expressed in the rebased currency with the new currency code – ZMW;
2. All accounting, financial and supporting documentation shall be prepared in the rebased currency. Likewise, all ledgers used by Financial Institutions as well as the information on their Information Technology applications shall be prepared in the rebased currency; and
3. Amounts shown on debit instruments, such as cheques and promissory notes issued by 31st December, 2012 for settlement after this date shall be converted to the rebased currency on 1st January, 2013.

Further, all Financial Institutions will be required to submit Technological Adaptation Compliance Reports to the Project Manager – Currency Rebasing, fortnightly during the months of September and October 2012, and weekly during the month of November 2012. Effective December 2012, the Bank of Zambia shall undertake spot checks to confirm that there is complete compliance by Financial Institutions.

The Bank of Zambia will, in September 2012, issue Technical Guidelines pertaining to the currency rebasing process to ensure that all stakeholders are guided accordingly. The Technical Guidelines shall also be made available on the Bank of Zambia website, www.boz.zm in September 2012.

For further information, please contact:

Project Manager – Currency Rebasing
Bank of Zambia
P.O Box 30080
LUSAKA

Tel: 228888 or Email: mmulomba@boz.zm
Website at <http://www.boz.zm>



Bwalya K. E. Ng'andu (Dr)
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