



BANK *Of* ZAMBIA
OFFICE OF THE DEPUTY GOVERNOR - ADMINISTRATION

Tel. 228888/228903-20

P O Box 30080
Cairo Road
Lusaka 10101

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CB Circular No. 18/2002

To: All Commercial Banks and Off-Tender Agents

Dear Sirs/Madams

APPLICATIONS FOR OFF-TENDER GOVERNMENT SECURITIES TRANSACTIONS

The Bank of Zambia has received numerous complaints from clients regarding the manner commercial banks and Off-Tender Agents are handling their off-tender government securities applications. Investors have complained that some commercial banks/Off-Tender Agents do not allow their customers/clients to exhaust balances in their respective accounts when applying to purchase government securities in instances where the face value of the bonds or Treasury bills to be purchased exceeds the balance in the account. As a result, a substantial portion of investors' funds remains uninvested.

The Bank of Zambia wishes to urge commercial banks and Off-tender Agents to facilitate investors investments by desisting from placing ceilings on the face value but to simply ensure that the balance in the customers' account is sufficient to cover the cost of the purchase including the handling fees as long as the minimum account balance and other operational account requirements are met.

Yours faithfully

Chilufya Mbalashi (Ms)
DEPUTY GOVERNOR - ADMINISTRATION