



BANK of ZAMBIA

DEPUTY GOVERNOR - OPERATIONS

October 8, 2012

CB Circular No. : 18/2012

TO : All Commercial Banks

**PRINTING AND DISTRIBUTION OF CHEQUE TRUNCATION SYSTEM (CTS)
COMPLIANT CHEQUES TO CUSTOMERS**

We make reference to the letter dated 20th January 2012, from the Zambia Electronic Clearing House, in which guidance was provided to banks on printing and distribution of cheque truncation compliant cheques to customers.

As you may be aware, one of the key issues that led to the postponement of the project from being implemented on 17th August 2012, was that, not a single bank had printed and distributed (CTS) compliant cheques. Consequently, banks were given an extension of up to 31 August 2012, to complete the cheque certification process with Zambia Electronic Clearing House (ZECHL).

However, it has come to the attention of the Bank of Zambia that some banks have not yet completed the clearance process with ZECHL and that the banks that have been cleared to print CTS compliant cheques are only printing cheques on customer request instead of printing for their entire customer base. The Bank of Zambia is concerned by the approach taken by the banks, as it will take the industry a long time to achieve the 85% threshold which has been set for live implementation.

Given the above, banks are hereby directed to comply with the following:

- To complete the cheque certification process with the ZECHL and printing of CTS cheques for their entire customer base immediately. With effect from 8th October, 2012, Banks are required to print only CTS compliant cheques.
- Withdraw old cheques from all customers and replace them with CTS compliant cheques by 30th November 2012.
- To submit weekly returns on the number of cheque-books printed and issued to their customers. The returns shall be submitted in electronic form every Monday with the first report to be submitted on 8th October 2012, using the attached format. The returns shall be emailed to cmwanza.zechl@zamnet.zm

To ensure smooth implementation of the project, the Bank of Zambia has issued a new road map to guide the industry and is appealing to banks to strictly adhere to the programme as there will be no further extensions. To this end, the Bank has set Friday, 1st February 2013, as the go live date for the Cheque Truncation system.

Kindly be advised accordingly.



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

Cc: Governor
Deputy Governor – Administration
Acting Director – Banking, Currency & Payment Systems
Manager – ZECHL

Name of Bank:

Report Period:..... To.....

**RETURN ON PRINTING AND DISTRIBUTION OF CHEQUE TRUNCATION SYSTEM
(CST) COMPLIANT CHEQUES**

Branch Name	Total Number of Cheque Issuing Accounts	Cumulative Total Number of CTS Cheque-books Printed	Cumulative Total Number of CTS Cheque-Books Issued to Customers

Name:.....

Designation:.....

Date:.....