



BANK OF ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

November 5, 2003

CB Circular No: 19/2003

To : All Commercial Banks

GOVERNMENT GAZETTE ON FOREIGN EXCHANGE MARKET CODE OF CONDUCT

Reference is made to the above subject matter.

Please find attached a copy of the Government Gazette No. 5217, which contains the Foreign Exchange Market Code of Conduct. Kindly note that gazetting of the Code of Conduct provides the stipulated guidelines with the necessary statutory obligations to which your treasury officers are expected to adhere to.

Please ensure that all your treasury officers are provided with copies of the Code of Conduct.

A handwritten signature in black ink, appearing to read 'Denny H Kalyalya'.

Denny H Kalyalya (Dr)
DEPUTY GOVERNOR - OPERATIONS

Cc : Governor



REPUBLIC OF ZAMBIA

GOVERNMENT GAZETTE

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TABLE OF CONTENTS

| <i>Gazette Notices</i> | No. | Page |
|--|-----|--------|
| Marriage Act—Appointment of Person to Solemnise Marriages | 483 | 315 |
| Lands and Deeds Registry Act: | | |
| Notice of Intention to Issue Duplicate Document | 484 | 315 |
| Notice of Intention to Issue Duplicate Document | 485 | 315 |
| Banking and Financial Services Act—Foreign Market (Code of Conduct) Guidelines, 2003 | 486 | 315-19 |
| Companies Act—Notice Under Section 36i | 487 | 320 |
| Advertisements: | | |
| Housing (Statutory and Improvement Areas) Act—Notice of Application for a Certified Copy of a Lost Certificate | --- | 321 |
| Nakonde District Council - Notices | --- | 321 |
| Liquor Licensing Act | --- | 322 |
| <i>Statutory Instruments Issued as a Supplement to this Gazette</i> | No. | Page |
| Chiefs Act: | | |
| Chiefs (Recognition) (No. 9) Order, 2003 | 88 | 437 |
| Chiefs (Recognition) (No. 10) Order, 2003 | 89 | 439 |
| Local Government Act: | | |
| Mambwe District Council (Airport Levy) By-Laws, 2003 | 90 | 441 |
| Mambwe District Council (Pole Levy) By-Laws, 2003 | 91 | 443 |
| Mambwe District Council (Sand Levy) By-Laws, 2003 | 92 | 445 |
| Medical and Allied Professions Act - - Medical and Allied Professions (Professional Misconduct) Rules, 2003 | 93 | 447 |
| Railways Act- Railways (Railway Permits) (Amendments) Regulations, 2003 | 94 | 457 |

GAZETTE NOTICE No. 484 OF 2003 [003071

The Lands and Deeds Registry Act

(Chapter 185 of the Laws of Zambia)

(Section 56)

Notice of Intention to Issue Duplicate Certificate of Title

FOURTEEN DAYS after the publication of this notice I intend to issue a Duplicate Certificate of Title No. 26388 in the Name Katowa Silume Fredrick relating to Stand No. 734, Lilanda in extent of .8100 Hectares situate at Lusaka in the Lusaka Province of Zambia.

All persons having objections to the issuance of the duplicate certificate of title are hereby required to lodge the same in writing with the Registrar of Lands and Deeds within fourteen days from the date of the publication of this notice.

F. L. SICHONE,

REGISTRY OF LANDS AND DEEDS
P.O. Box 30069
LUSAKA

Senior Registrar of
Lands and Deeds

GAZETTE NOTICE No. 485 OF 2003 [003062

The Lands and Deeds Registry Act

(Chapter 185 of the Laws of Zambia)

(Section 56)

Notice of Intention to Issue Duplicate Certificate of Title

FOURTEEN DAYS after the publication of this notice I intend to issue a duplicate certificate of title in respect to the following Property.

Certificate of Title No. L4777 in the name of Lumba Kananga Shamapande relating to Stand No. 11786 in extent 0.2417 hectares situate in the Lusaka Province of the Republic of Zambia.

All persons having objections to the issuance of the duplicate certificate of title are hereby required to lodge the same in writing with the Registrar of Lands and Deeds within fourteen days from the date of the publication of this notice.

F. L. SICHONE,

REGISTRY OF LANDS AND DEEDS
P.O. Box 30069
LUSAKA

Senior Registrar of
Lands and Deeds

315

GAZETTE NOTICE No. 483 OF 2003 [002375

The Marriage Act

(Laws, Volume IV, Cap. 211)

Appointment of Person to Solemnise Marriages

IT IS HEREBY NOTIFIED for public information that in exercise of the powers conferred upon the Town Clerk for Ndola City Council by Section 5 (2) of the Marriages Act, the person (s) named in the Schedule attached hereto be appointed to solemnise marriages in Zambia.

C. N. MPEANDE (Ms),

P.O. Box 71553

Town Clerk

NDOLA

SCHEDULE

| Name | Designation |
|---------------|-------------|
| Francis Nyati | Reverend. |

8.5 Money Laundering/Know Your Counter-party

Participating banks shall be required to 'know their customers' and take necessary steps to ensure that transactions being conducted are free from any money laundering activities. Participating banks shall ensure that dealing personnel are aware of money laundering issues and vigilant of any suspicious transactions in line with the requirements of the Prohibition and Prevention of Money Laundering Act.

8.6 Misinformation and Rumours

Dealers shall not relay any information that has not been verified and shall exercise great care when discussing unsubstantiated information.

8.7 Customer Relation and Advice/Liability

All foreign exchange dealings should be taken at an arms length basis unless otherwise agreed by the parties involved. This implies that dealing personnel shall separate the advisory role from the actual execution of the transaction; preferably the dealers operating in the market should be different from those dealing with clients.

Foreign exchange dealings with customers/clients should be fixed ensuring that:

- (a) the customer understands the terms, conditions and risks of such transactions;
- (b) the customer has made his or her own assessment and independent decision to enter into such a transaction;
- (c) the customer understands that any information or communication by the other party should not be construed as an investment advice or recommendation to enter into such a transaction; and
- (d) no advisory or fiduciary relationship exists between the parties.

9. BUSINESS HOURS**9.1 Market Opening and Closing Hours**

The market shall remain open for 7 hours on all business days, that is, open at 0830 am and close at 1530 pm local time.

9.2 After Hours Dealing

Normally, no deals shall be entered into after normal business hours. However, taking into account, the globalisation of financial markets, deals can be entered into after the normal working hours. To this end, any deal entered into after working hours shall only be entered into with prior approval of Management of the two dealing institutions.

Participating banks shall:

- (1) issue clear written instructions on dealing outside normal business hours;
- (2) approve the names of dealing personnel who will be allowed to transact after business hours, clearly stipulating procedures for prompt reporting and recording thereof.

9.3 Holidays

The following procedure shall apply whenever the Government of the Republic of Zambia declares a particular day to be a public holiday:

- (a) The new value date becomes the first common business day following the original value date;
- (b) Value date in foreign exchange settlement will not be split other than in cases where the two parties have agreed; and
- (c) The exchange rate shall not be adjusted on the outstanding contracts.

10 TAPING

It has been established that tape recording of telephone conversations can be invaluable in dispute resolution over details of transactions as well as foster confidence in the dealing procedures.

All market participants shall be required to install telephone conversation recording equipment that can tape all conversations by dealers.

Participating banks shall ensure that:

- (1) access to taping equipment and tapes is strictly controlled so that no tampering can occur;
- (2) the tapes are kept for a reasonable period, preferably 3 months, covering the settlement date of the transaction to ensure that trading differences and disputes discovered ex-post can be amicably resolved;
- (3) dealing counterparties must be advised by the banks about the recording system in place for recording all the conversations; and
- (4) the transaction recording equipment shall be installed in a secure location to ensure that no report can be erased without Management approval.

11 USE OF MOBILE COMMUNICATION DEVICES FOR BUSINESS TRANSACTIONS

Participating banks shall issue guidelines to dealing and settlement personnel on the usage of mobile equipment to enter into deals. Some of the issues to be considered are:

- whether privately/company owned equipment could be used inside the dealing room and back office to transact and confirm transactions;
- whether privately/company devices should be allowed in the dealing room. If allowed, can the devices be used for personal dealings; and
- the terms and conditions under which such equipment can be authorised by management to be used to conduct dealing activities.

12 DEALING ROOM SECURITY

Participating banks shall ensure that access to the dealing room is restricted only to authorised dealing personnel.

13. DEALING PRACTICE**13.1 Dealing Quotation-Firmness, Qualification Reference**

Participating banks shall quote on demand simultaneous bid and offer prices at a spread, which is mutually acceptable, and is good in normal circumstances for an accepted marketable amount provided the credit standing of the counter-party is satisfactory.

The current agreed marketable threshold is US\$50,000 or its equivalent. Normally, the bid-offer spread should not be in excess of K50.00. The dealing threshold and spread shall be reviewed whenever deemed necessary by consensus of market participants.

Deals for smaller or larger amounts shall be declared before requesting a price. It must be understood that this market convention can be overridden in times of exceptional market difficulty.

All Participating banks shall make it clear to the counter-party whether the prices quoted are firm or indicative.

13.2 Dealing at Non-Current Rates

Trading on non-current rates shall not be allowed so as to ensure transparency and that dealers do not conceal losses or profits.

13.3 Consummation of a Deal: "My Word is my Bond"

Dealers should regard themselves bound once the terms have been agreed. Oral agreements shall be considered binding; the subsequent confirmation is evidence of the deal but shall not override the terms agreed orally.

- Regular independent internal audit of trading and risk management functions to ensure early identification of weaknesses in internal controls;
 - Open and effective communications.
- (b) Professional management in the administrative process:
- Policy on human resource management to ensure high standards of professionalism;
 - Guidelines to minimise deal input cycles, errors and down time should be in place;
 - Regular review of internal processes and controls so as to identify and rectify weaknesses in the shortest time possible.
- (c) Provide appropriate systems and operational support:
- Appropriate systems for timely documentaion, processing and reporting;
 - Technology policy and strategy to provide adequate system support and disaster recovery arrangements.
- (d) Ensure timely and accurate risk measurement and evaluation:
- Clear mark-to-market rules and procedures. Trading positions should be marked to market on a daily basis by an independent operating unit from the trading function, preferably the middle office. In the absence of a fully-fledged middle office, the back office can take up this function;
 - Frequent position valuation in cases where the market is volatile.
- (e) A sound legal foundation.
- (f) Adequate expertise in trading and risk management.

20. MARKET TERMINOLOGY

Foreign exchange markets are dynamic and activity can move at a very fast pace. Thus, there is a high possibility of misunderstandings occurring. In order to mitigate the misunderstandings, standard generally accepted market terminology should be used. Special care should be taken to specify the particular currency.

The following market terminology may be used for buying and selling:

Mine
Yours
I bid
I pay
I take
I buy
Offered
Comes
I give
I sell
I offer

Choice price i.e. price is good for bid or offer.

Nothing done there i.e. deal not done

Guidelines should clarify which terminology will be used for buying and selling activities.

Spot Transactions

Cash settlement is two working days from deal date.

Short Date

Maturity dates of less than or up to one month.

Overnight, O/N

Value today against tomorrow (or next business day).

TOM-Next, T/N

Value tomorrow (or next business day) against next business day (spot)

TOM-Next, S/N

Value spot against next business day.

One week

Value spot against one week from the spot date.

Tom-one week (one week over tomorrow)

Value tomorrow (or next business day) against one week from that date.

Turn of the Month

Value last business day of the month against the first business day of the following month.

Spot against month (end month)

Value spot against last business day of the month.

Turn of the year

Value last business day of the year.

Forward

All transactions with maturity beyond spot.

Forward/Forward transactions

Value any forward date against any other forward date.

At a premium

A transaction that is more expensive to buy than the face value.
A currency which is more expensive to purchase forward than for spot delivery.

At discount

A security that is trading at less than the face value.
A currency which is cheaper to purchase forward than for spot delivery.

At par

A price which is the same on both sides of the swap. A swap is the simultaneous purchase and sale of the same amount of a given currency for two different dates, against the sale and purchase of another currency.

Long

Excessive purchases over sales of a particular currency.

Short

Excessive sales over purchases of a particular currency.

Open position

The difference between total outright purchases and outright sales.

Square

Purchases that are equal to sales leaving an institution with no currency exposure.

Exposure limit definition

Uncovered portion of foreign exchange purchased or sold outstanding in the books, including structural mismatches.

Currency exposure limit

Participating banks shall be required to monitor and observe the currency exposure limits as set by the regulatory authority from time to time.

LUSAKA

DR C. FUNDANGA,
Governor

ADVT—1270—002201

The Housing (Statutory and Improvement Areas) Act
(Chapter 441 of the Laws of Zambia)
(Section 43)

Notice of Application for a Certified Copy of a lost Certificate

NOTICE OF APPLICATION GIVEN that Oliver Musonda intends to apply for a Certified Copy of a lost Land record Card granted to Oliver Musonda the Land immediately adjoining Flat No. 87/2843/7417 Chilenje South in the Lusaka Province of the Republic of Zambia.

All persons having any objections to the issue of such Certified Copy are required to lodge the same in writing with the Council Registrar within thirty days from the date of publication of this notice.

Dated the 25th day of July, 2003.

COUNCIL DEEDS REGISTRY
P. O. Box 30077
LUSAKA

M. M. MUNANSANGU,
Council Registrar

ADVT—1273—002306/1

Nakonde District Council

Public Notice

NOTICE IS HEREBY GIVEN that in pursuant to section seventy-six of the Local Government Act 1991, the Nakonde District Council intends to apply to the Ministry of Local Government and Housing for the confirmation of its proposed (Pole Levy) Amendments By-laws 2003.

A copy of the proposed (Pole Levy) Amendment By-laws has been deposited in the Council Secretary's office for inspection by interested members of the public during normal working hours that is Monday to Friday from 14th July—13th August, 2003.

Any person who may have an objection to the proposed amendment By-laws may lodge such objection in writing with the Council Secretary of Nakonde District Council and shall furnish a copy of his/her objection to the Minister of Local Government and Housing, Lusaka.

L. M. KASONDE,
Council Secretary

CIVIC CENTRE
P. O. Box 430083
NAKONDE

ADVT—1271—002077

Nakonde District Council

Public Notice

NOTICE IS HEREBY GIVEN that in pursuant to section seventy-six of the Local Government Act 1991, the Nakonde District Council intends to apply to the Ministry of Local Government and Housing for the confirmation of its proposed (Timber Levy) Amendments By-laws 2003.

A copy of the proposed (Timber Levy) Amendment By-laws has been deposited in the Council Secretary's office for inspection by interested members of the public during normal working hours that is Monday to Friday from 14th July—13th August, 2003.

Any person who may have an objection to the proposed amendment By-laws may lodge such objection in writing with the Council Secretary of Nakonde District Council and shall furnish a copy of his/her objection to the Minister of Local Government and Housing, Lusaka.

L. M. KASONDE,
Council Secretary

CIVIC CENTRE
P. O. Box 430083
NAKONDE

ADVT—1274—002306/2

Nakonde District Council

Public Notice

NOTICE IS HEREBY GIVEN that in pursuant to section seventy-six of the Local Government Act 1991, the Nakonde District Council intends to apply to the Ministry of Local Government and Housing for the confirmation of its proposed (Sand Levy) Amendments By-laws 2003.

A copy of the proposed (Sand Levy) Amendment By-laws has been deposited in the Council Secretary's office for inspection by interested members of the public during normal working hours that is Monday to Friday from 14th July—13th August, 2003.

Any person who may have an objection to the proposed amendment By-laws may lodge such objection in writing with the Council Secretary of Nakonde District Council and shall furnish a copy of his/her objection to the Minister of Local Government and Housing, Lusaka.

L. M. KASONDE,
Council Secretary

CIVIC CENTRE
P. O. Box 430083
NAKONDE

ADVT—1272—002078

Nakonde District Council

Public Notice

NOTICE IS HEREBY GIVEN that in pursuant to section seventy-six of the Local Government Act 1991, the Nakonde District Council intends to apply to the Ministry of Local Government and Housing for the confirmation of its proposed (Grain Levy) Amendments By-laws 2003.

A copy of the proposed (Grain Levy) Amendment By-laws has been deposited in the Council Secretary's office for inspection by interested members of the public during normal working hours that is Monday to Friday from 14th July—13th August, 2003.

Any person who may have an objection to the proposed amendment By-laws may lodge such objection in writing with the Council Secretary of Nakonde District Council and shall furnish a copy of his/her objection to the Minister of Local Government and Housing, Lusaka.

L. M. KASONDE,
Council Secretary

CIVIC CENTRE
P. O. Box 430083
NAKONDE

ADVT—1275—002306/3

Nakonde District Council

Public Notice

NOTICE IS HEREBY GIVEN that in pursuant to section seventy-six of the Local Government Act 1991, the Nakonde District Council intends to apply to the Ministry of Local Government and Housing for the confirmation of its proposed (Flour Levy) Amendments By-laws 2003.

A copy of the proposed (Flour Levy) Amendment By-laws has been deposited in the Council Secretary's office for inspection by interested members of the public during normal working hours that is Monday to Friday from 14th July—13th August, 2003.

Any person who may have an objection to the proposed amendment By-laws may lodge such objection in writing with the Council Secretary of Nakonde District Council and shall furnish a copy of his/her objection to the Minister of Local Government and Housing, Lusaka.

L. M. KASONDE,
Council Secretary

CIVIC CENTRE
P. O. Box 430083
NAKONDE