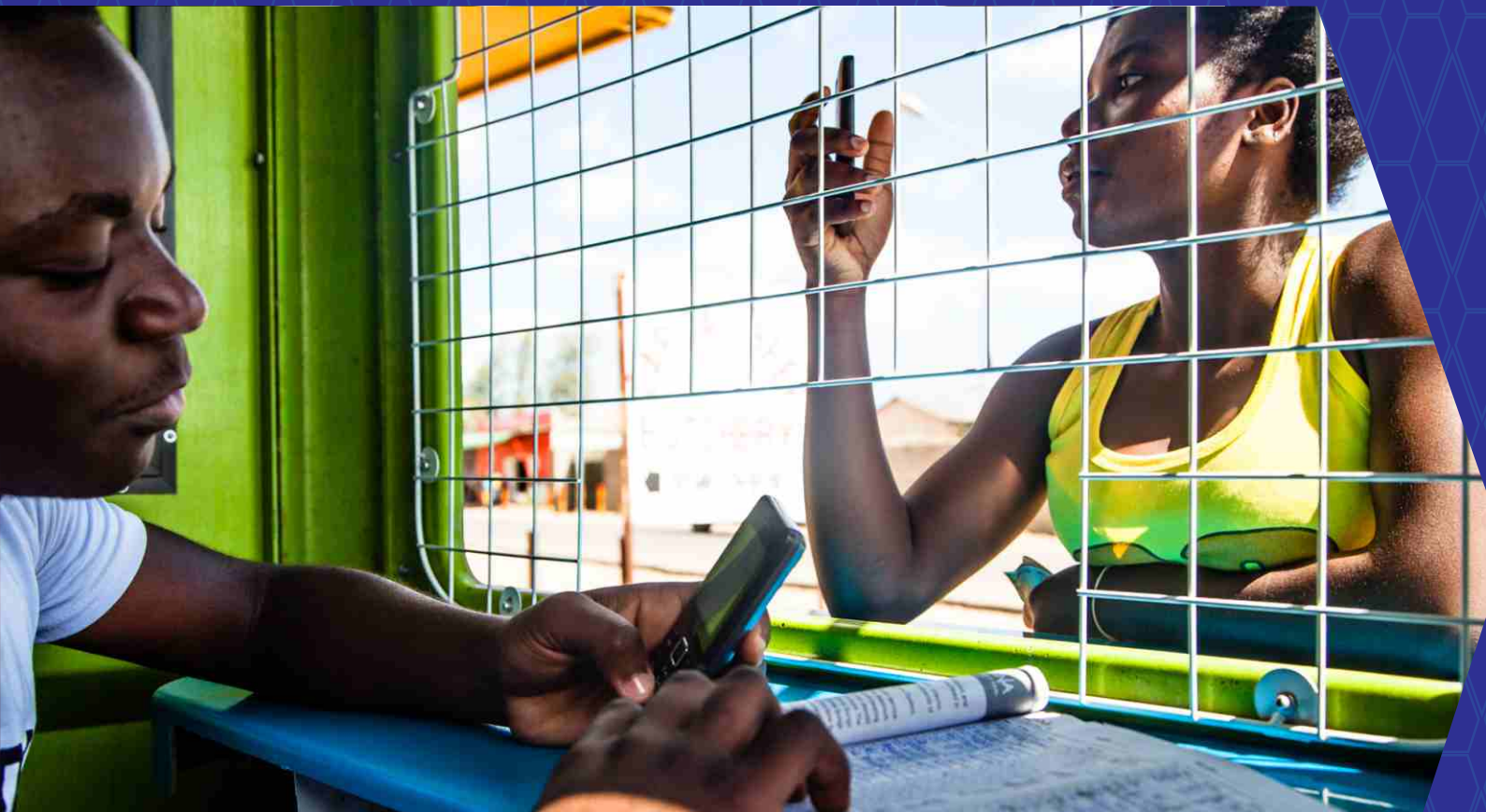


Bank of Zambia



NATIONAL PAYMENT SYSTEMS IN ZAMBIA

ANNUAL REPORT FOR THE YEAR 2019

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Bank of Zambia

Tariff Guide

ARTIME TOP UP (FOR YOURSELF OR OTHERS)

Minimum	Maximum	Charge (K)
3.00	20,000.00	Free

BILL PAYMENTS: ZAMTEL SERVICES, ZESCO, DISTV, GOTV, BOX OFFICE, ETC

Minimum	Maximum	Charge (K)
5.00	150.00	0.50
151.00	300.00	0.75
301.00	600.00	1.25
601.00	1,200.00	1.75
1,201.00	3,000.00	2.50
5,001.00	8,000.00	2.50
8,001.00	12,000.00	2.50
12,001.00	15,000.00	2.50
15,001.00	20,000.00	2.50

ANTI MONEY LAUNDERING LIMITS

Maximum Transaction Amount (Per transaction)

K 10,000 (Basic Customer)
K 20,000 (Standard Customer)
K 250,000 (Premium Customer)

Maximum Transfer Amount (per day)

K 10,000 (Basic Customer)
K 20,000 (Standard Customer)
K 250,000 (Premium Customer)

OTHER ZAMTEL KWACHA ADMIN FEES

Admin Fees	Charge (K)
Change PIN	Free
Top Up	Free
Monthly Charges	None
Minimum Balance requirement	None
Registration Fee	None
Balance Enquiry	None

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NATIONAL PAYMENT SYSTEMS IN ZAMBIA

ANNUAL REPORT FOR THE YEAR 2019

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AGENT CODE
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AGENT NAME
ROMAN PADDY MUKENI

NOW DOING
DEPOSITS
AND
WITHDRAWALS

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MONEY

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money

Withdrawals
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Preamble

The Bank of Zambia is mandated under the National Payment Systems Act (NPSA) No. 1 of 2007 to regulate and oversee the National Payment Systems in Zambia to ensure safety and efficiency of payment systems in the country.

In its role as overseer of the National Payment Systems, the Bank of Zambia is guided by the Principles for Financial Market Infrastructures (PFMIs) issued by the Bank for International Settlements (BIS) and the International Organization of Securities Commission (IOSCO) to ensure that payment systems and the infrastructure supporting the financial markets are safe, robust and resilient to withstand financial shocks. The PFMIs are issued to standardise risk management frameworks for Systemically Important Payment Systems (SIPS) and these were formally adopted by the Bank in 2015.

SIPS are payment systems which have the characteristic that a failure of any one of them could potentially have a significant impact on other systems and the economy as a whole. SIPS in Zambia

include the Bank of Zambia operated Zambia Interbank Payment and Settlement System (ZIPSS) commonly referred to as the Real Time Gross Settlement System (RTGS) as well as the Central Securities Depository (CSD) for Government Securities, the Direct Debit and Credit Clearing (DDACC), the Cheque Image Clearing System (CICS) operated by the Zambia Electronic Clearing House Ltd (ZECHL) and the Central Securities Depository for bonds and shares at the Lusaka Securities Exchange (LuSE).

The publication of this report is intended to inform the public on the developments in the payment systems landscape in Zambia and the Bank's oversight activities over the National Payment System 2019 as guided by the National Payment Systems Act, of 2007, the Oversight Framework and the PFMIs. The Bank continues to monitor new developments in the national payment systems and whenever necessary, adjusts its oversight activities to incorporate new developments aimed at enhancing the performance of national payment systems in Zambia.



Governor's Statement

The year 2019 saw steady growth in the National Payment System in Zambia. Electronic payment methods continued to steadily grow in particular, mobile money as a payment method grew at a higher rate than all the payment methods growing at 122% in value terms and 82% in the volume of transactions conducted from the previous year.

The Bank continued to implement policies and interventions aimed at making the National payment systems efficient, safe, and secure to support economic activities in the country. The implementation of the National Financial Switch (NFS) progressed well in the year, resulting in the conclusion of Phase 1 of the project which involves the switching of local ATM and Point of Sale transactions on the national switch. These were both achieved in the second half of the year. Significant progress was made on the second and final phase of the project which involves mobile payments. This is expected to be concluded in the year 2020.

Further, progress was made on the review of the National Payment Systems Act (NPSA) of 2007. This review is aimed at aligning the NPSA with the SADC national payments systems model Law and incorporation of new developments expected to make the NPSA more relevant for the current times. The revised law will address a number of key issues which include improved clarity over the Bank's mandate on payment systems; introduction of a regulatory sandbox to support growth of innovation in the financial sector and promotion of Fintechs for advancement of financial inclusion; increased attention on consumer protection and detailed corporate governance requirements for payment systems.

In recognition of the increased growth of digital payment systems and the important role payment system play in the economy, the Board in August 2019 approved the expansion of the Banking Currency and Payment Systems Department by creating a separate Payment Systems Oversight Division and increasing the number of staff dealing with payment systems related work in the Department to enhance the Bank's oversight role.

The Board continues to devote significant attention to resilience, safety and efficiency of national payment systems. In this regard, the Bank in the coming year will focus on upgrading the RTGS and the Bank operated Central Securities Depository (CSD) to comply with the SWIFT ISO20022 messaging standard and to make them more operationally resilient. The Bank will also focus on building cyber resilience of the financial sector to make it more secure in response to the growing threats brought about by increased global digitisation.

Furthermore, in line with the Bank's Strategic Objective of promoting financial inclusion, the Bank will continue to undertake financial education campaigns in collaboration with industry players aimed at empowering consumers of financial services with the necessary information and to encourage the adoption of digital financial services.

Finally, the Bank will continue to discharge its mandate in a way that ensures that payment systems are efficient, reliable, safe and secure.



Denny Kalyalya (Dr)
Governor



Executive Summary

The National Payment System in Zambia continued to grow in 2019. Overall, the National Payment system comprising systemically important payment systems (SIPS) and non-systemically important payment systems (NSIPS) grew by 7% and 62% in value and volume of transactions conducted respectively from the previous year. The value of transactions conducted through the national payment system streams was K1,256,682.68 million in 2019 from K1,169,337.91 million, recorded in the previous year. Key to note from the developments in 2019 is an increased shift in the contribution of NSIPS to the total value of transactions conducted in 2019.

In 2019, NSIPS accounted for 16% of the total value of transactions conducted on the national payment system compared to a contribution of 11% in 2018. The shift was mainly on account of the growth in mobile money transactions as the key driver of this growth recording an increase of 122% in value terms from the previous year. On the other hand, in 2019, there was a decline in the use of cheques in Zambia. The volume of cheques cleared reduced by 12.0% to 1,794,631 in 2019 from 2,040,530 in 2018 while the value of cheques cleared declined by 10.0% to K11,206.96 million in 2019 from K12,416.61 million, in the previous year. The decline in use of cheques was partly driven by changing customer preferences towards digital payment systems.

The value of Currency In Circulation (CIC) stood at K8,526.6 million compared to K8,194.5 million in 2018 representing an increase of 4.1%. Banknotes continued to account for the larger proportion of the CIC accounting for 97.8% (K8,342.5million) while coins contributed 2.2% (K184.1million). The Bank also issued 145.3 million pieces of mint banknotes and coins valued at K6,063.3 million into circulation in 2019 compared to 130.9 million pieces valued at K3,315.3 million issued in 2018.

In 2019, the Bank made significant progress in the review of the National Payment System Act, 2007 aimed at aligning it with the SADC Model Law and to incorporate new developments in payment systems to make it more relevant and enhance the Bank's role as overseer of the national payment systems in Zambia. The Bank conducted stakeholder engagements to obtain views from various stakeholders and these have been incorporated. The

draft national payment systems bill is expected to be enacted into law in 2020.

Another notable achievement in 2019 was the conclusion of the implementation of Phase 1 of the National Financial Switch (NFS) project which involves the switching of ATM and Point of Sale (POS) transactions on the NFS. The next focus is to conclude the final phase of the project which involves mobile payments on the NFS. The second phase is considered critical to the support of various innovations in the payment systems arena as it will ensure interoperability among the various mobile payments on the NFS. The second phase is expected to be concluded in 2020. The year 2019 also saw the NFS being certified compliant with Payment Card Industry, Data Security Standard (PCI DSS) following the completion of the assessments by the assessors.

In order to ensure the enhanced safety and efficiency of the payment systems, the Bank approved the rules and guidelines on Automated Teller Machines (ATM) and Point of Sale (POS) meant to guide users and service providers.

In 2019, the Payments Association of Zambia was formerly registered. This was a culmination of the work that had begun in the previous years to set up a payments association that represent the interests of various players in the payment systems in Zambia. This achievement was made possible with support from the Financial Sector Deepening Zambia (FSDZ) and payment service providers. The association is expected to set standards and rules in the payment system in line with best practice.

As promotion of financial inclusion is one of the key strategic focus of the Bank, in 2019 the Bank in conjunction with industry players undertook financial education campaigns in all the 10 provinces of Zambia. These campaigns were aimed at equipping the general public with financial education information to help them with safety tips in respect to usage of financial services and to encourage the adoption of digital financial services. These campaigns are going to continue until a critical mass is reached.

As in previous years, the Bank continued to collaborate with different stakeholders on various initiatives aimed at ensuring the development of an

efficient, safe and secure payment systems landscape in Zambia. These included the Zambia Information and Communications Technology Authority (ZICTA), Financial Sector Deepening Zambia (FSDZ), Rural Finance Expansion Project (RuFEP), Pensions and financial sector regulators who include the Pensions and Insurance Authority (PIA), and the Securities and Exchange Commission (SEC).

The Bank in 2019 participated at the Alliance for Financial Inclusion (AFI) Global Policy Forum held in Kigali Rwanda which was held under the theme 'Using Technology for Inclusion of Women and Youth'. The forum was among other objectives aimed at showcasing Rwanda's experience with regard to gender equality policies and also to showcase how the use of technology helps to bring about progress in financial inclusion of the most vulnerable groups who include women and the youth.

In the year 2020, the Bank will continue to implement policies and interventions aimed at ensuring the development of efficient, safe and secure payment systems in Zambia, supported by value adding innovations.

1.0 Introduction

This report sets out developments in the National Payment Systems in Zambia between January and December, 2019. The payment systems landscape in Zambia experienced steady growth and continued to evolve in 2019 with new products being launched by service providers aimed at meeting customer needs. The Bank as mandated under the National Payment Systems Act No. 1 of 2007, ensures that there is safety and efficiency of payment systems in Zambia. This role involves designating and overseeing payments, clearing and settlement systems. The National Payment systems play a critical role in the smooth running of the economy by facilitating the payments for goods and services, conducting financial investments and transfer of funds for economic agents.

2.0 Developments and Trends in International Payment Systems

According to the World Payments Report, 2019¹, globally, as in the previous year, non cash transactions have continued to grow with major growth being noted in Emerging Asia and Central Europe, Middle East and Africa (CEMEA). The report notes that Global non-cash transaction grew at 12% to reach 539 billion during 2016-17. Further, it is estimated that global non-cash transaction volumes will grow at a compound annual growth rate (CAGR) of 14% during the period 2017-2022. The main contributors to this growth are developing markets at a sustained CAGR of 23.5% over the projected period while in contrast, mature markets are expected to grow modestly at 7.1%. In the case of Europe, including the Eurozone, these are expected to witness a stable growth of 8.5% over the next five years. The key drivers include growing adoption of mobile payments, uptake in contactless technology and innovation from technology players and card giants.

Customer experience has become a priority for both regulators and industry players over the years, brought about by technological advances. The increase in alternative payment methods is catalyzing the growth of digital payments globally, reflecting the accelerated expansion of non-cash transaction volumes, with double-digit growth expected through 2022.

The report notes that emerging markets going forward will dictate and shape the global payments landscape as regards the capacity to handle transactions, innovation and industry trends. Emerging Asia and Central Europe, Middle East and Africa (CEMEA) are projected to experience year on year growth rates of nearly 30% and 21% respectively over the period 2017 and 2022. Mature economies on the other hand are expected to experience modest growth due to saturation in their markets and streamlined processes for transaction handling and clearing. It is projected that Emerging Asia will in 2020, surpass North America in terms of growth of non cash transaction volumes.

Further, it has been noted that in most countries, cash payments' share of total payments volume is declining. However, cash in circulation (CIC) remains stable or up slightly over the past five years. Globally, CIC has increased from 4% to 7% annually over the last five years, despite lawmakers' support of non-cash transactions. Interestingly, the report notes that countries with the highest non-cash transaction volumes also continued to be highly dependent on cash.

The other developments noted in the report are that globally, payments interoperability and synchronisation has been the focus for most regulators around the globe in a bid to promote non cash transaction volumes. This is amid existing incongruent standards, systems and scope of regulators and in order to address these challenges, most regulators across the globe implemented several initiatives to ensure uniformity in standards and systems required to support the emerging payments ecosystem.

Other regulatory priorities in 2018 to 2019 included issues relating to Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT), data privacy and protection, cyber security, cryptocurrency and Fintech regulations. This is important to ensure security in the wake of technological innovations and entry of new participants to the payments sector.

¹World Payments Report, 2019, Capgemini Financial Services

The report also notes that increased collaboration between regulators and industry stakeholders is helping to address some of the existing challenges. Finally with the rise in disruptive technologies and entry of new participants on a multiple front, it is the expectation of regulators that banks and payment system operators should be in the forefront and take an active role in the fight against fraud, money laundering/terrorist financing and cyber crime.

MTN Mobile Money Transfer charges.

Transaction Type	Charge
Send Money (ZMW)	0.05
Send Money (USD)	0.05
Receive Money (ZMW)	0.00
Receive Money (USD)	0.00
Send Money (ZMW) - International	0.05
Send Money (USD) - International	0.05
Receive Money (ZMW) - International	0.00
Receive Money (USD) - International	0.00

MTN Mobile Money Transfer charges are subject to change without notice. Please refer to the latest version of this document for the most up-to-date information.

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Send & Receive
Money Here

3.0 Developments in the Zambian National Payment Systems

As part of its mandate of ensuring a safe and efficient national payment system, the Bank continued to review various laws, regulations, policies and to facilitate other developments relating to payment systems. The section below highlights developments undertaken in 2019.

3.1 Review of the National Payment Systems Act

In the period under review, the Bank continued with the work of reviewing the National Payment System Act in order to align the Act with the SADC Model Law and new developments in payment systems. As part of the review of the National Payment Systems Act, the Bank of Zambia engaged various key stakeholders including commercial banks, payment system businesses, payment systems operators and non-bank financial institutions to solicit for their views on the draft National Payment System bill. The Bank of Zambia also received comments from the World Bank.

Following the engagement with the various key stakeholders, the Bank of Zambia revised the draft National Payment System bill in line with the comments received. The draft National Payment Systems bill is expected to be finalised in 2020.

3.2 Registration of the Payments Association of Zambia

In 2019, the Bank in-conjunction with the Financial Sector Deepening Zambia (FSDZ) and payment service providers facilitated for the formation of a payments association called the Payment Association of Zambia, registered in accordance with the provisions of the Societies Act. The association is expected to assist the payment service providers to have a common vision and solutions to challenges affecting its members. Further, the association is also expected to set standards and rules for itself and its customers in line with best practice.

3.3 National Financial Switch

As at end December 2019, significant progress had been made on the implementation of the National Financial Switch (NFS). All fourteen (14) banks participating in payment card business were processing ATM transactions on the NFS. On 1st October 2019, the industry went live on the PoS functionality with thirteen (13) banks switching through the NFS to complete Phase I of the project.

The NFS project is being implemented by the Zambia Electronic Clearing House Limited (ZECHL) and industry players. The NFS first went live in September 2018 on processing of ATM transactions. It aims to facilitate for the clearing and settlement of all domestic Automated Teller Machines (ATMs), Point of Sale (PoS) and Mobile payment transactions through integration of all financial players on a single local payment and clearing infrastructure.

During the year, the NFS infrastructure was certified compliant with Payment Card Industry, Data Security Standard² (PCI DSS) following the completion of the assessments by the assessor; Trustwave.

²These are widely accepted security standards intended to optimize the security of credit, debit and card transactions and to protect cardholders against misuse of their personal information.

3.4 Automated Teller Machines (ATMs) and Point of Sale (PoS) Guidelines

In line with the National Payment Systems Vision and Strategy 2018-2022 and in order to ensure enhanced safety and efficiency of the payment streams, the Bank of Zambia approved guidelines on ATM and POS for use at the NFS

3.5 Regulators' Forum

During the year under review, the Bank of Zambia hosted the 2019 edition of the Regulators' forum which was held on 26 November 2019. The Regulators' forum is an annual meeting that brings together different regulators in the country to share best practices and establish areas of cooperation in order to ensure effective regulation. The 2019 forum was held under the theme 'Blurring Regulatory Boundaries in a Digital Era'. The main outcome of the forum was a call for increased collaboration in the wake of blurring regulatory boundaries amongst regulators to ensure effective supervision and oversight of players in the financial sector.

3.6 Designation of Payment Service Providers (PSPs)

The Bank granted designations to seven institutions namely; Real Pay Zambia Limited, Linknet Zambia Limited, NetOne Payment Systems Limited, PayNow Zambia Limited, Digital Shared Services Limited, SamAfrica Online Zambia Limited and LendMePay Zambia Limited. The first five named institutions were granted payment systems licences while the last two institutions were granted payment system business licenses. The specific services offered by the various designated institutions are shown in appendix II.

²These are widely accepted security standards intended to optimize the security of credit, debit and card transactions and to protect cardholders against misuse of their personal information.



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Farmer Data Collection Form

Farm Details

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4.0 Payment Systems Oversight Activities and Risk Assessment

The Bank's payment systems oversight activities are guided by the National Payment Systems Act of 2007 and the Principles for Financial Market Infrastructure (PFMIs). Below is a summary of the oversight activities undertaken in the year 2019:

4.1 Offsite Analysis of Monthly Returns

The Bank continued to conduct offsite analysis of monthly returns submitted by designated entities which assist in conducting compliance checks and timely decision making. The returns contain information which includes the values and volumes of transactions processed from different payment streams, access points, accounts and amounts held in trust accounts, frauds and system availability. Generally, most of the institutions complied with the submission requirements and those that delayed in their submissions were accordingly engaged. The returns were analysed and reports such as the Supervisory Policy Committee report, were generated to inform policy decisions made by the Bank during the year.

4.2 Inspections and Compliance Assessments of Payment Service Providers

The Bank conducted onsite compliance inspections of mobile money agents for some mobile money operators to address the problem of fraud on mobile money holders perpetuated through fake SMS messages that had affected the market in late 2018. The inspections were driven by the Banks' need to ensure protection of mobile money customers. The inspection revealed weaknesses in the management of simcards which had an impact on the security of mobile money wallets. Some of the weaknesses noted were subsequently addressed in June 2019 when the Zambia Information and Communications Technology Authority (ZICTA) issued 9 directives to all mobile phone operators to sanitize the mobile subscriber information registration database and registration procedures by all Mobile Network Operators. The directives were aimed at enhancing the security in the management of sim cards to address the problem of frauds targeted at mobile money wallets.

The Bank also conducted onsite inspections on a bank offering electronic money (e-money) services and a payment system business offering money transfer services to assess compliance with the National payment systems Act. The inspection revealed weaknesses which included lapses in the fulfilment of Know Your Customer (KYC) requirements, inadequate oversight of the banks' agents and poor record keeping. Appropriate corrective actions were recommended for infringements that were observed.

Further, staff in the Payment Systems unit were offered training on conducting PFMI assessments on selected principles with support from the World bank and the International Monetary Fund (IMF) in order to enhance the bank's oversight of national payment systems..

5.0 Performance of the Various Payment Systems Streams

The national payment system, that is, both Systemically Important Payment Systems (SIPS) and Non Systemically Important Payment Systems (NSIPS) recorded growth in values and volumes of transactions in 2019 growing by 7% and 62% respectively. SIPS accounted for 84% of total value for all payment streams in 2019 compared to 89% in 2018. On the other hand, NSIPS accounted for 16% of the total value of all payment streams compared to 11% in 2018. The improvement in the performance of NSIPS was attributed to the increased usage of mobile payments. The tables below show a comparative analysis of the values and volumes in the SIPS and NSIPS between the years 2018 and 2019.

Table 1: Comparative Analysis of Transaction Values for the different Payment Streams (2019/2018), K'millions

Payment Stream	2019	2018	Change (%)	Proportion (%)
ZIPSS	975,283.00	968,306.00	1	78
EFT	67,812.80	59,689.04	14	5
CIC	11,206.90	12,416.61	(10)	1
SIPS Totals	1,054,302.70	1,040,411.65	1	84
ATMs	48,054.90	45,582.48	5	4
POS	20,094.80	13,459.27	49	2
Remittances	84,823.18	47,692.95	78	7
Mobile	49,353.10	22,191.56	122	4
NSIPS Total	202,325.98	128,926.26	57	16
Grand Total	1,256,628.68	1,169,337.91	7	100

Table 2: Comparative Analysis of the Transaction Volumes for the Various Payment Streams (2019/2018)

Payment Stream	2019	2018	Change (%)	Proportion (%)
ZIPSS	607,114	573,071	6	0.1
EFT	7,800,720	6,952,305	12	0.7
CICS	1,794,631	2,040,530	(12)	0.2
SIPS Total	10,202,465	9,565,906	7	0.9
ATMs	41,773,995	44,726,867	(7)	3.8
POS	26,942,944	18,409,724	46	2.4
Remittances	470,450,589	304,572,685	54	42.7
Mobile	552,475,284	303,955,243	82	50.1
NSIPS Total	1,091,642,812	671,664,519	63	99.1
Grand Total	1,101,845,277	681,230,425	62	100

CICS in this table means Cheque Imaging Clearing System

5.1 Currency in Circulation

As at 31st December 2019, currency in circulation (CIC) stood at K8,526.6 million (2018: K8,194.5million) out of which banknotes accounted for 97.8% (K8,342.5million) while coins contributed 2.2% (K184.1million). This represents an overall increase of 4.1% from the previous year. The currency in circulation in 2019 was 2.7% of the projected 2019 GDP³ compared to 3% in 2018. Table 3 below depicts the CIC for the period 2017 to 2019.

³The ratio is used as a measure of financial deepening. The GDP figure used is the projected figure for 2019

Table 3 : Currency in Circulation 2017 – 2019

	Values (ZMW)			Pieces		
	2017	2018	2019	2017	2018	2019
K100	5,067,826,250	5,266,779,300	5,814,103,200	50,678,263	52,667,793	58,141,032
K50	1,542,082,350	2,159,563,300	1,980,858,350	30,841,647	43,191,266	39,617,167
K20	292,698,310	281,913,660	295,299,360	14,634,916	14,095,683	14,764,968
K10	114,708,430	108,725,660	130,650,780	11,470,843	10,872,566	13,065,078
K5	89,100,491	120,835,505	90,101,670	17,820,098	24,167,101	18,020,334
K2	28,171,396	49,173,344	31,447,319	14,085,698	24,586,672	15,723,660
K1	103,121,024	132,235,024	109,494,990	103,121,024	132,235,024	109,494,990
50N	63,570,027	63,123,927	62,246,428	127,140,054	126,247,854	124,492,856
10N	10,261,272	8,452,672	8,685,472	102,612,720	84,526,724	86,854,724
5N	3,800,360	3,722,859	3,723,059	76,007,203	74,457,189	74,461,189
Total	7,315,339,909	8,194,525,251	8,526,610,629	548,412,464	587,047,871	554,635,997

Source: Bank of Zambia

5.1.1. New Currency Issued into Circulation

The Bank issued 145.3 million pieces of mint banknotes and coins valued at K6,063.3 million into circulation in 2019 (Figure 1 and Table 4). This was higher than the 130.9 million pieces valued at K3,315.3 million issued in 2018. The highest proportion of currency issued was in high value notes: K100 (65.9%) and K50 (22.8%). The middle value (K10 and K20) and low value (K2 and K5) banknotes both accounted for 11.1% while coins accounted for 0.1% of the total currency issued.

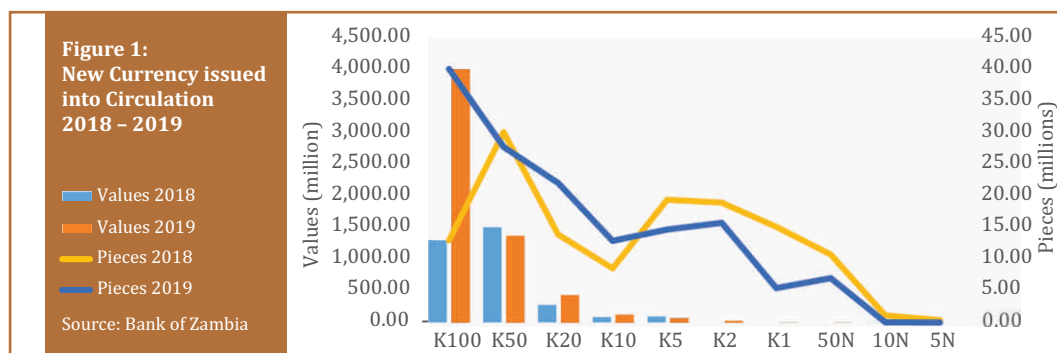


Table 4: New Currency Issued 2017 – 2019

	Values (ZMW)			Pieces		
	2017	2018	2019	2017	2018	2019
K100	2,335,400,000	1,296,800,000	3,997,600,000	23,354,000	12,968,000	39,976,000
K50	1,503,500,000	1,500,750,000	1,383,900,000	30,070,000	30,015,000	27,678,000
K20	418,330,000	277,140,000	439,570,000	20,916,500	13,857,000	21,978,500
K10	115,100,000	85,490,000	128,630,000	11,510,000	8,549,000	12,863,000
K5	71,400,000	96,745,000	73,280,000	14,280,000	19,349,000	14,656,000
K2	15,222,000	37,804,000	31,446,000	7,611,000	18,902,000	15,723,000
K1	14,223,000	15,071,000	5,419,000	14,223,000	15,071,000	5,419,000
50N	3,404,000	5,359,000	3,502,000	6,808,000	10,718,000	7,004,000
10N	631,700	110,900	2,100	6,317,000	1,109,000	21,000
5N	140,050	7,600	200	2,801,000	352,000	4,000
Total	4,477,350,750	3,315,287,500	6,063,349,300	137,890,500	130,890,000	145,322,500

Source: Bank of Zambia

5.1.3 Withdrawal of Unfit Banknotes

A total of 138.4 million pieces of unfit notes valued at K5,644.7 million were withdrawn from circulation in 2019 (Figure 2 and Table 5). This was higher than the 82.3 million pieces valued at K3,057.2 million withdrawn in 2018.

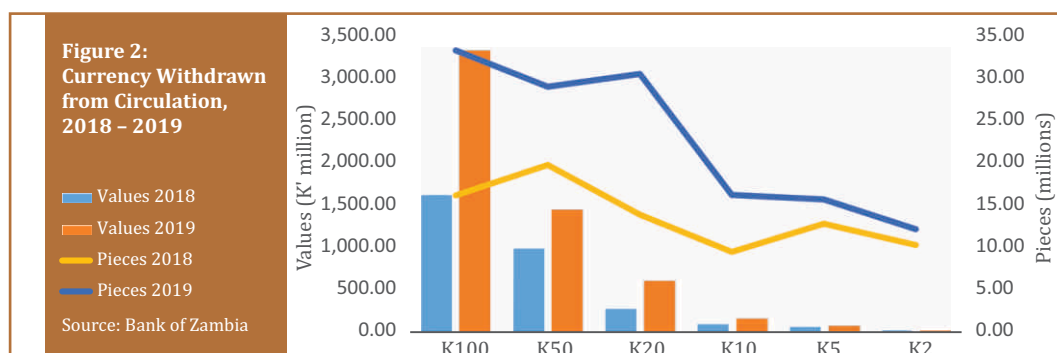


Table 5: Currency Withdrawn from Circulation, 2017– 2019

	Values (ZMW)			Pieces		
	2017	2018	2019	2017	2018	2019
K100	2,061,198,400	1,615,045,300	3,323,418,900	20,611,984	16,150,453	33,234,189
K50	962,254,300	985,543,200	1,447,743,250	19,245,086	19,710,864	28,954,865
K20	325,185,800	277,468,600	609,074,120	16,259,290	13,873,430	30,453,706
K10	140,024,050	94,645,000	161,855,000	14,002,405	9,464,500	16,185,500
K5	73,303,155	63,968,500	78,286,305	14,660,631	12,793,700	15,657,261
K2	38,212,164	20,551,000	24,294,000	19,106,082	10,275,500	12,147,000
Total	3,600,177,869	3,057,221,600	5,644,671,575	103,885,478	82,268,447	136,632,521

Source: Bank of Zambia

5.2 Systemically Important Payment Systems (SIPS)

Overall, the systemically important payment systems namely; the Zambia Interbank Payment and Settlement System (ZIPSS), the Cheque Image Clearing (CIC) system and the Electronic Funds Transfers (EFTs) system grew in both values and volumes of transactions processed in 2019. The value of SIPS transactions increased by 1.0% to K1,054,303 million from K1,040,411.6 million in 2018 while the volume of transactions increased by 7.0 % to 10,202,465 from 9,565,906 in 2018.

The increase in value of transactions in 2019 was mostly notable on the EFTs which increased by 14% from the previous year. This was partly attributed to increased adoption of electronic payment methods. On the other hand, the values and volumes of transactions processed through the CIC payment stream continued to decline, reducing by 10% and 12% respectively.

The ZIPSS continued to dominate in the value of payments processed accounting for 93% of total payments of the systemically important payment systems.

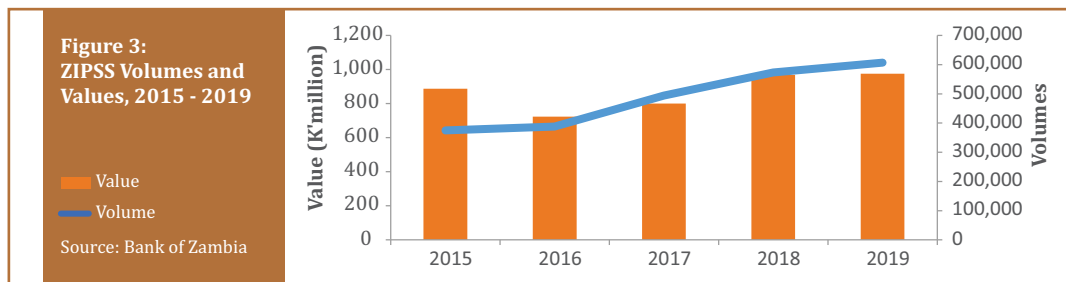
Table 6: Systemically Important Payment Systems (SIPS)

Payment Stream	2019		2018		% Change (Volumes)	% Change (Volumes)
	Volumes	Values (K' millions)	Volumes	Values (K' millions)		
ZIPSS	607,114	975,283	573,071	968,306	6	6
EFTs	7,800,720	67,813	6,952,305	59,689	12	12
CICS	1,794,631	11,206.90	2,040,530	12,417	(12)	(12)
TOTAL	10,202,465	1,054,303	9,565,906	1,040,412	7	7

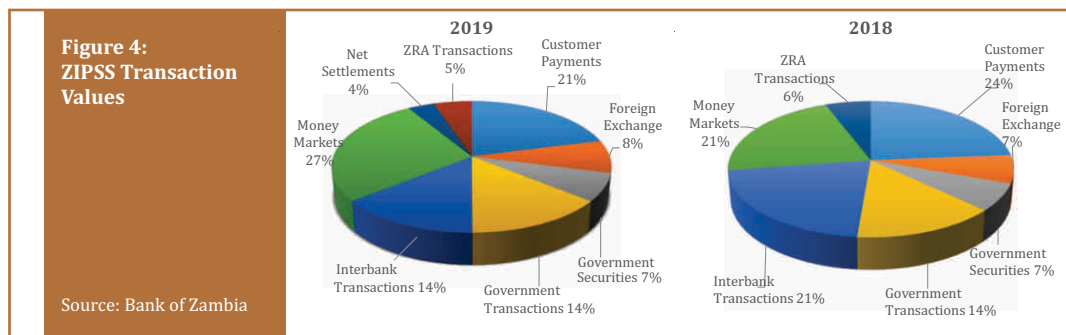
5.2.1 **Zambian Interbank Payment and Settlement System (ZIPSS)**

The ZIPSS continued to operate satisfactorily in the year under review. The system's availability remained high at 98.7% compared to 99.1% reported in 2018. The downtime recorded was mainly due to network connectivity and application challenges. However, these were resolved within acceptable timeframes.

The value of transactions processed on ZIPSS rose marginally by 1.0% to K975,283 million from K968,306 million in 2018 as shown above. The volume of transactions processed on ZIPSS increased by 6.0% to 607,114 transactions from 573,071 transactions in 2018. The increase in the volume of processed transactions was mainly due to increase in Government securities transactions. The value of ZIPSS transactions in 2019 as a proportion of GDP decreased to 310% from 357% in 2018.

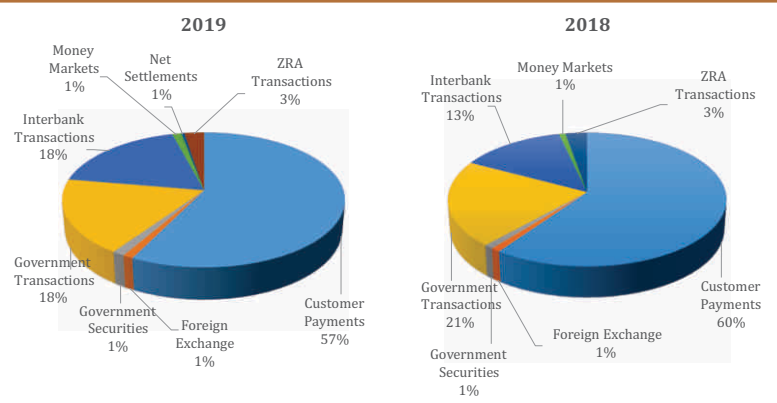


The transaction values of the ZIPSS by payment type are as depicted in figure 4 below while transaction volumes by payment type are depicted in figure 3



**Figure 5:
ZIPSS Transaction
Volumes**

Source: Bank of Zambia



5.2.2 Lusaka Securities Exchange

The transaction value of net settlement obligations for Lusaka Securities Exchange (LuSE) processed on ZIPSS decreased to K0.148 million in 2019 from K6.84 million in the previous year. On the other hand, the total number of settlement instructions decreased by 42.9% to 32 in 2019 from 56 in the previous year.

5.2.3 The Zambia Electronic Clearing House (ZECHL) Operated Systems

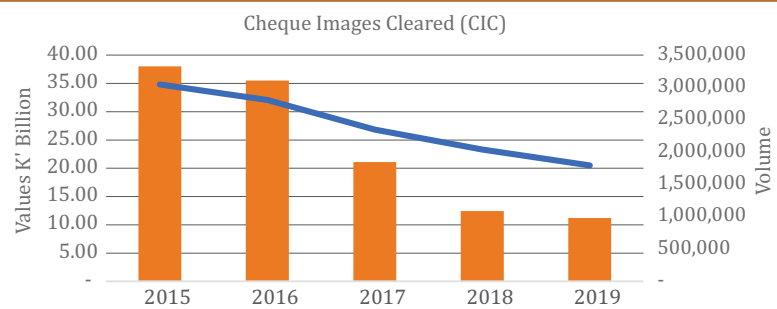
5.2.3.1 Cheque Image Clearing System (CICS)

The volume and value of cheques cleared in 2019 continued to decline as the utilisation of electronic payment methods increased. The volume of cheques cleared reduced by 12.0% to 1,794,631 in 2019 from 2,040,530 in 2018. The value of cheques cleared also decreased by 10.0% to K11,206.96 million in 2019 from K12.416.61 million in 2018.

The value of cheques cleared as a proportion of GDP declined to 3.6% from 4.6% in 2018. Figure 6 below depicts the trend in cheque images cleared from 2015 to 2019.

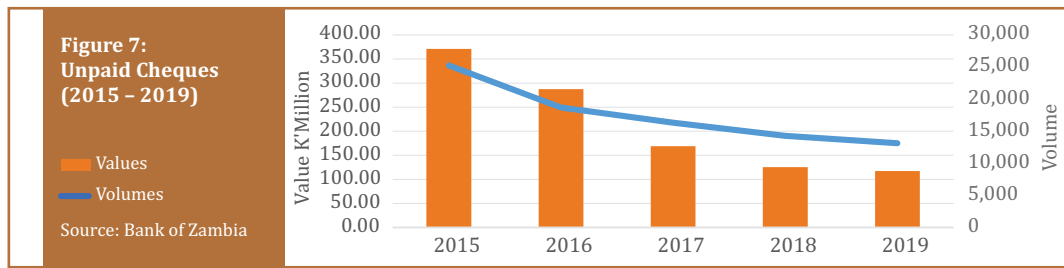
**Figure 6:
Cheque Images
Cleared (2015 - 2019)**

Source: Bank of Zambia



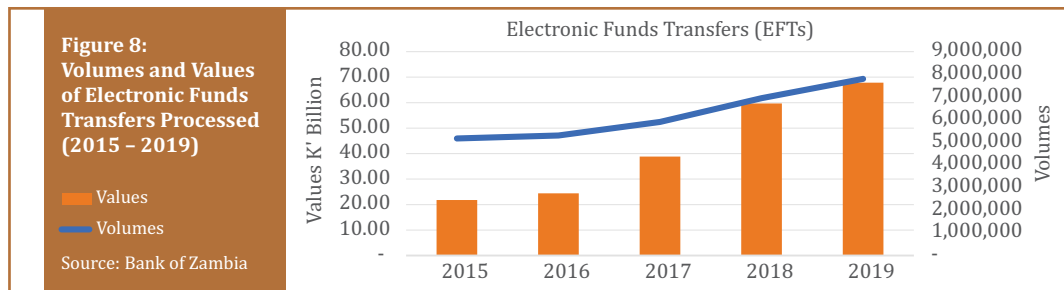
Cheques Returned Unpaid on Account of Insufficient Funds

The volume of cheques returned unpaid due to insufficient funds decreased by 8.0% to 13,122 from 14,285 in 2018 while the value decreased by 6% to K117.5 million from K125.4 million in 2018 (Figure 7). This was attributed to the decrease in usage of cheques during the period under review as highlighted above.



5.2.3.2 Electronic Funds Transfer System (EFTs)

The value of transactions processed on the Electronic Funds Transfer (EFT) Clearing System increased by 14% to K67,812.85 million from K59,689.04 million in 2018 while the volume of transactions grew by 12% to 7,800,720 from 6,952,305 in 2018 (see Figure 8). The increase in EFT transactions was partly attributed to the promotion of digital financial services as a means of payment. The value of transactions processed through EFTs/DDACC as a proportion of GDP decreased to 21.6% from 22% in 2018.



5.3 Non-Systemically Important Payment Systems

The non-systemically important payment systems, namely, the Automated Teller Machines (ATMs), Point of Sale (POS), remittances and mobile payments grew in both the value and volume of transactions conducted in 2019. The value of transactions increased by 57% to K202,325.98 from K128,926.3 million recorded in 2018 while the volume of transactions processed through the NSIPs increased by 63% to 1,091,642,812 from 671,664,519 processed in 2018.

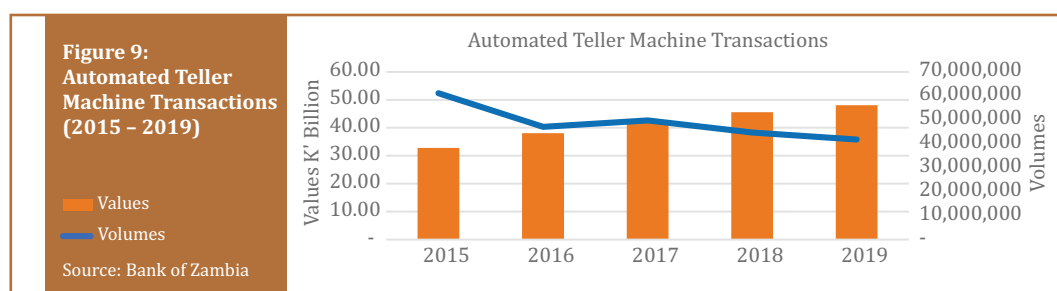
The payment streams that experienced the largest growth in both value and transaction volumes among the NSIPs were mobile money, remittances (mainly domestic remittances) and POS transactions. Mobile money payments grew in value by 122% and by 82% in transaction volumes while remittances grew by 78% in value terms and by 54% in transaction volumes. POS transactions grew by 49% in value terms and by 46% in volumes of transactions. Table 7 depicts the performance of NSIPs in 2019 and 2018.

Table 7: Non Systemically Important Payment Systems (NSIPs)

	2019		2018		Change (%) Volumes	Change (%) Values
	Volumes (000s)	Values (K'millions)	Volumes (000s)	Values (K'millions)		
Remittances (Domestic)	469,417	82,109.6	303,729	45,539.47	55	80
Remittances (International)	1,034	2,713.50	844	2,153.49	23	26
ATM	41,774	48,054.90	44,727	45,582.48	(7)	5
POS	26,943	20,094.80	18,410	13,459.27	46	49
Mobile Payments	552,475	49,353.10	303,955	22,191.567	82	122
Total	1,091,643	202,325.90	671,665	128,926,271		

5.3.1 Automated Teller Machines (ATMs) Transactions

The value of transactions processed on the Automated Teller Machines (ATMs) increased by 5% to K48.05 billion from K45.6 billion in 2018 while the volume of transactions decreased by 7% to 41,773,995 from 44,726,867 in 2018. The decrease in the volume of transactions was partly due to the rise in the use of Point of Sale (PoS) as a means of payment. The number of ATM cards issued to customers reduced by 20.0% to 2,773,616 from 3,492,750 in 2018. The decrease in the number of cards issued was due to withdrawal of prepaid cards by some Banks. The value of transactions processed at ATMs as a proportion of GDP decreased to 15.3% from 16.8% in 2018.



5.3.1.1 Number of Automated Teller Machines (ATMs)

The number of ATMs decreased by 9% to 1,006 in 2019 from 1,104 recorded in 2018. However, the distribution of the ATMs by province across the country remained unchanged with Lusaka and the Copperbelt provinces having the majority of ATMs at 46% (2018: 46%) and 23% (2018: 25%) respectively, followed by Southern Province with 8%. (2018: 8%). Table 8 below shows the nationwide provincial distribution of ATMs.

Table 8 Nationwide Deployment of ATMs by Province

Province	2018	2019	Share (%)
Lusaka	492	466	46.3
Copperbelt	273	230	22.9
Southern	85	76	7.6
North-western	64	61	6.1
Central	55	47	4.7
Eastern	53	45	4.5
Northern	24	22	2.2
Luapula	20	21	2.1
Western	17	19	1.9
Muchinga	21	19	1.9
Total	1,104	1,006	100.0

Source: Bank of Zambia

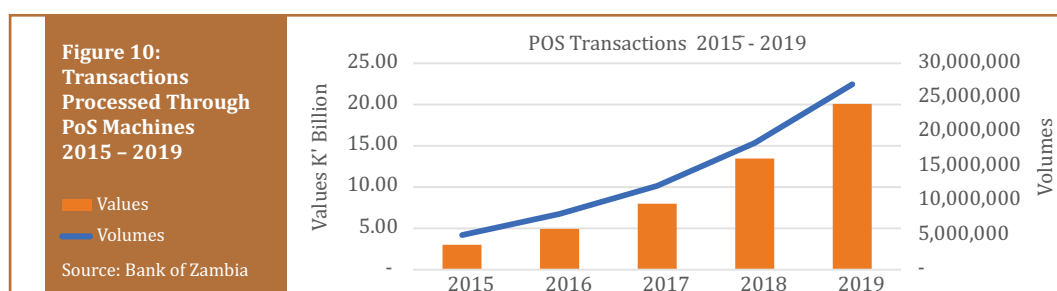
5.3.1.2 Number of Cards Issued

The total number of cards in circulation as at end December 2019 decreased by 22.0% to 2,773,616 from 3,556,480 as at end December 2018. Of these, the number of debit cards issued were 2,299,434 while the number of credit and prepaid cards in issue were 9,350 and 464,832 respectively.

5.3.2 Point of Sale Machine Transactions

The volume of transactions processed on the Point of Sale (PoS) terminals in 2019 increased by 46.0% (2018: 51%) to 26,942,944 from 18,409,724 in 2018. The value of transactions processed on the PoS terminals increased by 49% to K20.09 billion from K13.5 billion recorded in 2018. The increase in the use of the PoS machines was due to the promotion of digital financial services and increased number of terminals. The number of PoS terminals increased by 36% to 17,795 in 2019 from 13,090 in 2018. .

In terms of payments processed by card type, debit cards were widely used accounting for 47.9% (2018: 54%) and 51.8% (2018: 76%), in volume and value respectively. The reductions in the share of debit cards from 2018 was as a result of increased usage of other card types in the market. Figure 10 below shows the trend in transactions processes through POS machines for the period 2015 to 2019.



The distribution of PoS terminals across the country however, was largely the same with Lusaka province having the highest number and Western province having the lowest number of PoS deployed as shown in Table 9.

Table 9: Nationwide Deployment of POS Terminals by Province

Province	2018	2019	Change (%)
Lusaka	6,528	8,829	35
Copperbelt	2354	3,392	44
Southern	1,412	1,636	16
Eastern	905	1,024	13
Central	808	971	20
North-western	346	643	86
Northern	240	366	53
Muchinga	157	330	110
Luapula	179	316	77
Western	161	288	79
Total	13,090	17,795	36

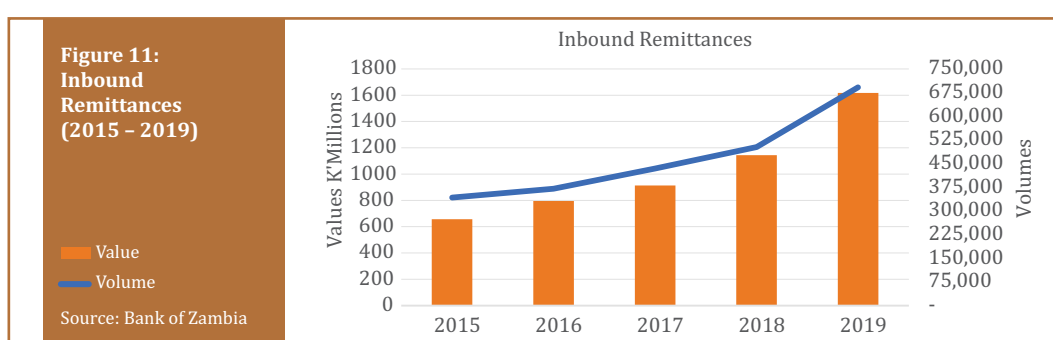
Source: Bank of Zambia

5.3.3 Remittances (Money Transfer Transactions)

The remittances market recorded growth in both values and volumes of transactions during the period under review. The transaction values increased by 78% (2018: 294%) to K84,823 million from K47,692 million in 2018. Similarly, the volume of transactions processed increased by 54% (2018: 345%) to 470,450,589 transactions from 304,572,685 transactions recorded in 2018. The increase was mostly notable in the local money transmission services which increased by 80% (2018: 340%) and 55% (2018: 348%) in value and volume of transactions respectively.

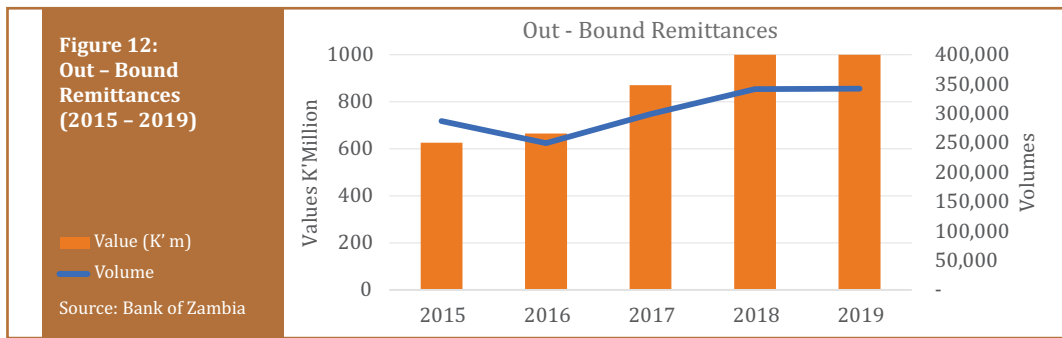
5.3.3.1 Inbound International Remittances

The volume of in-bound international remittances increased by 38% (2018: 16%) to 691,617 transactions from 502,368 transactions recorded in 2018 while the value rose by 41% (2018: 25%) to K1,617.5 million from K1,144.5 million in 2018 (see Figure 11). The increase in the value was partly as a result of the depreciation of the Kwacha. The United States of America, the United Kingdom, Canada and Australia dominated the source countries. The values of inbound remittances as a proportion of GDP marginally increased to 0.5% from 0.4% as in 2018.

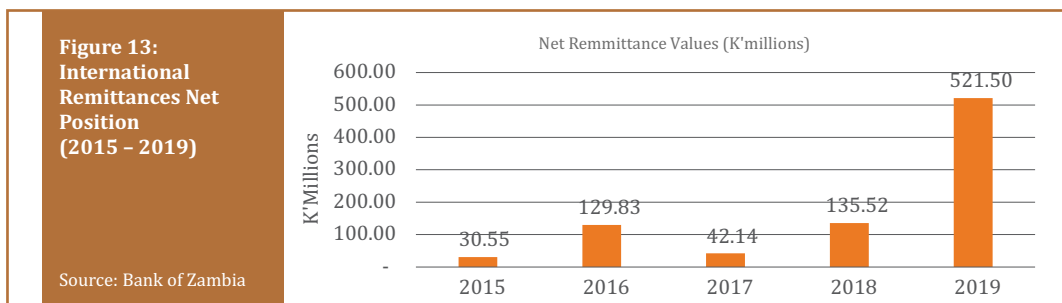


5.3.3.2 Outbound International Remittances

The value of out-bound international remittances increased by 9% (2018: 16%) to K1,096 million from K 1,008.98 million in 2018 while the volume of transactions increased by 0.3% (2018:14%) to 342,433 from 341,474 in 2018 (See Figure 12). This was mainly due to an increase in trade remittances to China, Tanzania, South Africa and the Democratic Republic of Congo.

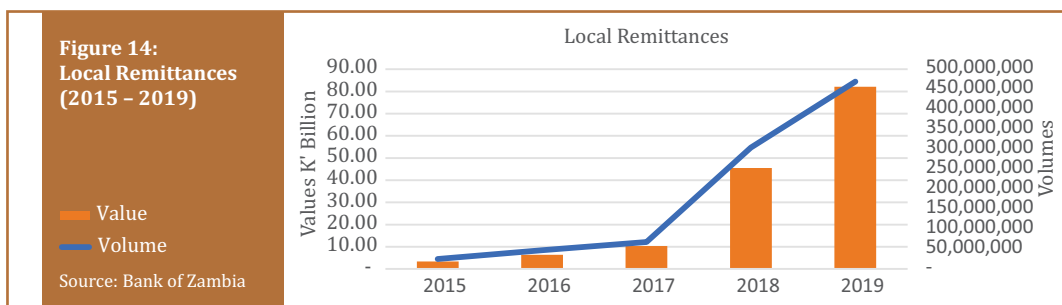


Zambia continued to be a net receiver of funds amounting to K521.5 million (2018: K135.52 million) as highlighted in the figure 13 below.



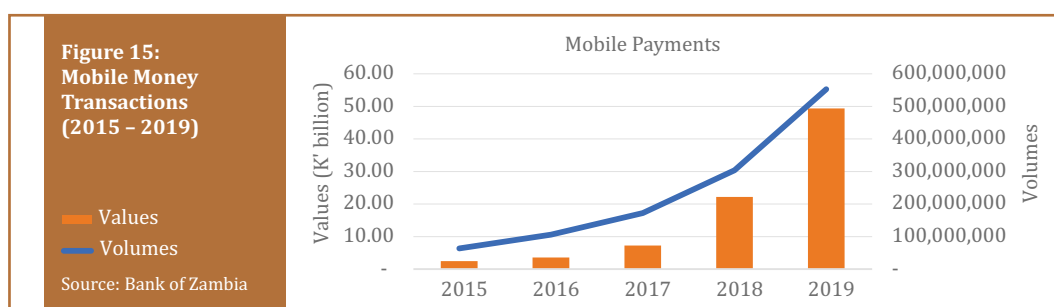
5.3.4 Local Remittances

The value of local remittances grew by 80% (2018: 341%) to K82,109.6 million from K45, 539 million in 2018 (See figure 14). The volume of transactions increased by 55% (2018: 348%) to 469,416,539 from 303, 728,843 recorded in 2018. The increase in both value and volumes was on account of growth of mobile based transactions. Local remittances as a proportion of GDP increased to 26.1% from 16.8% in 2018.



5.3.5 Mobile Money Transactions

The value of transactions processed on the mobile money platform increased by 122% (2018: 205%) to K49.35billion from K22.19 billion in 2018 whereas the volume of transactions increased by 82% (2018: 76%) to 552,475,284 transactions from 303, 955, 243 transactions recorded in 2018. The increase in both value and volume of transactions was attributed to the rise in the number of users of mobile money due the promotion of electronic payment methods and consequent adoption of new products introduced by mobile money service providers. The number of active users for mobile payments increased by 41% (2018: 137%) to 4,852,040 from 3,443, 973 recorded in 2018. The increase in the number of active mobile payments users was as a result of improved customer experience in the use of mobile payments. The value of mobile payments as a proportion of GDP increased to 15.7% from 8.2% in 2018.



5.3.6 Mobile Money Subscribers versus Mobile Phone Subscribers

The total number of registered mobile phone subscribers in 2019 reported by the mobile money operators (MTN, Airtel and Zamtel) increased by 12% to 17,218,310 from 15,442,108 in 2018. The total number of mobile money subscribers increased marginally by 1% (2018: 19%) to 14,119,115 from 13,910,712 in 2018 out of which 4,852,040 (2018: 3,443,973) were active mobile money subscribers. This movement represents an increase of 41% (2018 :137%) in the number of active subscribers from the previous year. Active wallets, that had customer initiated transactions in the last 90 days constituted 28% of the total number of registered mobile phone subscribers.

Table 10: Mobile Money Subscribers versus Active Mobile Money Subscribers

	% Change (2019/2018)	2019	2018	2017	2016
Number of Mobile Phone Subscribers	12%	17,218,310	15,442,108	12,598,289	10,776,337
Number of Mobile Money Subscribers	1%	14,119,115	13,910,712	11,704,822	6,377,087
Number of Active Mobile Money Subscribers	41%	4,852,040	3,443,973	1,450,533	521,098

5.3.7 Cross Border Mobile Payments

Cross border mobile money payments aggregate value and volume of transactions recorded in 2019 increased by 240.7% to K158.4 million from K46.5 million in 2018 while the volume increased by 200.0% to 116,290 from 38,787 in 2018.

5.3.8 Regional Crossborder Payments

In 2019, the value of payments processed on the SADC-RTGS by Zambian commercial banks increased by 20.0% to ZAR6,818.8 million from ZAR 5,723.9 million in 2018 while the volume reduced by 13.0% to 17,330 from 20,008 in 2018. The value of incoming receipts was ZAR 6,884.7million (2018: ZAR5,716.0 million) representing 6,368 transactions (2018: 6,942 transactions). On a net basis, Zambia was a net receiver of ZAR65.9million in 2019 compared to being a net payer of ZAR7.9 million in 2018. For the overall SADC region, a total of ZAR 1,228,662.1 million was processed on the SADC-RTGS in 2019 compared to ZAR1,272,358.5 million in 2018. Table 11 summarises the payments on the SADC RTGS.

Table 11: Regional Cross Border Payment Systems

Year	Values (ZAR' million)			Volumes		
	Payments (Zambia)	Receipts (Zambia)	SADC RTGS	Payments (Zambia)	Receipts (Zambia)	SADC RTGS
			Overall (Zambia)			Overall (Zambia)
2015	3,759.4	3,829.2	984,234.6	15,410	5,029	264,601
2016	5,425.8	5,630.3	1,095,923.7	25,525	6,166	275,883
2017	5,688.4	5,432.1	1,240,084.1	21,716	6,946	313,790
2018	5,723.9	5,716.0	1,272,358.5	20,008	6,942	348,620
2019	6,818.8	6,884.7	1,228,662.1	17,330	6,368	347,850

Source: Bank of Zambia

On the other hand, the volume of transactions processed on the COMESA Regional Electronic Payments and Settlement System (REPSS) decreased to 85 as utilization of the facility remained low. The value of receipts, however, increased to US\$14.7 million in 2019 from US\$11.1 million in 2018. There were no payments made from Zambia on the platform as was the case in 2018.

For trends of the various payment streams including Currency In Circulation for the period 2012 to 2019, see Appendix I.

6.0 Financial Inclusion and Consumer Protection

This section reviews the activities on financial inclusion and consumer protection undertaken in 2019.

6.1 Financial Inclusion

In line with the Bank's strategic objectives and Government's desire to increase financial inclusion in the country, the BoZ, in conjunction with industry stakeholders undertook financial education sensitization campaigns in all the ten (10) provinces of the country to promote and create awareness on the available electronic payment methods such as mobile money, PoS, the real-time gross settlement (RTGS) and electronic funds transfer systems as well as security features of the new Zambian Bank notes.

These efforts are aimed at increasing awareness among the citizenry and help in improving the general safety of payment systems in Zambia. It is anticipated that through these interventions, the public will begin to adopt and migrate to electronic payment systems. The BoZ in conjunction with other stakeholders who include financial service providers will continue to undertake sensitisation activities to promote financial inclusion in the country.

Further, the Bank continued to co-ordinate activities of the Delivery Channels and Digital Payments (DCDP) Working Group under the National Financial Inclusion Strategy (NFIS) covering the period 2017 to 2022. The DCDP is pursuing objectives under the NFIS which include the following:

- i. Expanding reach and quality of agent-based and other cost-effective delivery channels;
- ii. Expanding use of mobile-based delivery channels;
- iii. Improving the overall quality of service of financial service providers;
- iv. Achievement of interoperability and scale of retail payment systems;
- v. Leveraging G2P and P2G payments to expand financial inclusion; and
- vi. Strengthening pathways to formal financial inclusion for users of informal financial services.

Some of the initiatives undertaken by the Bank in 2019 in the regulatory sphere which are aimed at promoting financial inclusion included, but not limited to the following initiatives:

- i. Revision of the National Payment Systems Act 2007 which among others aims to include detailed corporate governance arrangements for payment systems, include detailed provisions for consumer protection, inclusion of regulatory sandboxes to accommodate appropriate regulations to promote innovation thereby promoting financial inclusion; and
- ii. Continued implementation of the National Switch aimed at ensuring interoperability of digital payments across various payment platforms thereby increasing access and usage of financial services. Phase 1 of the NFS project has been achieved resulting in the switch going live on ATM and POS payments during the year. The second phase which involves mobile payments is the remaining phase of the project expected to be concluded in 2020.

6.2 Consumer Protection

In 2019, the Bank continued to deal with various customer complaints that included loss of funds on mobile money wallets, failed ATM transactions and other complaints. The reported complaints were investigated and appropriate interventions effected. Arising from the customer complaints reported, the Bank in some instances, charged some regulatory penalties to PSPs for non-compliance.

7.0 Stakeholder Engagements and Collaboration

The Bank continued its engagements with various stakeholders during the year under review and below are some of the engagements undertaken with some stakeholders:

- i. Zambia Information Communications Technology Authority (ZICTA): As in previous years, the Bank continued to collaborate with ZICTA on matters of common interest. During the year, the two institutions commenced work aimed at reviewing and operationalizing the existing MOU;
- ii. Members of Parliament: In 2019, the Bank conducted an awareness workshop for members of Parliament to enlighten them on various key issues pertaining to the work undertaken by the Bank. Such engagements with law makers are considered important to ensure that the law makers are well informed and able to support the various laws and regulations formulated by the Bank which require endorsement by parliament. Key topics were discussed during the workshop which included the following
 - Financial Technology (fintech) developments in Zambia;
 - The effects of money laundering on the financial sector;
 - Financial Action Task Force (FATF) Recommendations and the effects of non Compliance;
 - Repeal and Replacement of the National Payment Systems Act;
 - Consumer Protection and Awareness; and
 - Financial Inclusion
- iii. Financial Sector Deepening Zambia (FSDZ): The Bank continued to work closely with FSDZ and other key stakeholders who are members of the Financial Infrastructure working Group (FIWG) under the National Financial Inclusion Strategy (NFIS) to pursue NFIS objectives;
- iv. United Nations Capital Development Fund (UNCDF): The Bank in conjunction with UNCDF commenced its work on the implementation of an automated data collection solution for institutions designated under the National Payments Systems Act. The project once fully implemented, will ease the collection, aggregation and review of returns and enhance the Bank's oversight function. The automated system will also provide financial service providers with their individual and aggregated market data for the Zambian digital financial services ecosystem on a regular basis. The project is expected to be concluded in 2020.

Further, the Bank collaborated with the UNCDF to produce the 2018 State of the Digital Financial Services (DFS) Market Industry Report which provides key insights into the state of the Zambian DFS market regarding usage and trends on digital financial services in Zambia. This was the third report to be published since 2016; and
- v. The Rural Finance Expansion Project (RUFEP): The 2019 financial education campaigns which the Bank undertook were partly funded by RUFEP.

8.0 Regional and International Engagements

The Bank continued to actively take part in payment systems initiatives at the regional level as a member of the SADC Payment Systems Oversight Committee (PSOC) by attending various meetings that took place in 2019. The Bank also continued to monitor activities on the COMESA Regional Electronic Settlement System (COMESA REPSS) and SADC-RTGS.

In addition, the Bank as a member of the Alliance for Financial Inclusion (AFI), a network of financial inclusion experts from various central banks, other financial regulators and institutions from the developing world, attended the 2019 Global Policy Forum (GPF) held in September 2019 in Kigali, Rwanda.

The 2019 GPF was held under the theme 'Using Technology for Inclusion of Women and Youth' and was hosted by the National Bank of Rwanda (BNR) and AFI. The forum was aimed at showcasing Rwanda's experience with regard to gender equality policies and also to showcase how the use of technology helps to bring about progress in financial inclusion of the most vulnerable groups who include women and the youth. The 2019 GPF was also among other objectives aimed at taking stock of the progress made by member countries on their commitments made under the Denarau Action Plan⁴. At the Rwanda GPF, Zambia was recognised under the Maya Declaration Award for having clearly defined and measurable financial inclusion targets and reporting its targets, timelines and progress on the AFI data portal.

⁴The Denarau action plan of 2016 focused on Women's Financial Inclusion. Commitments were made to reduce the gender gap by 2021.

Picture Courtesy of UNCDF Zambia



9.0 Conclusion and Outlook for 2020

In 2020, the Bank will focus on its core mandates of ensuring Financial Stability and Financial Inclusion. In this regard, the Bank in line with its strategic objectives will continue to implement policies that will support growth, modernisation, safety and efficiency of payment systems in Zambia. The Bank will also continue to monitor developments in the market to enhance cyber resilience of the payments ecosystem in order to safeguard public interest and support innovation.

Appendices: Payment Systems Statistics

Appendix I: Consolidated Statistics

Currency in Circulation (2012 - 2019)

Year	Currency in Circulation (K'million)
2012	3,841.7
2013	4,600.8
2014	5,727.0
2015	6,347.1
2016	6,451.5
2017	7,315.3
2018	8,194.5
2019	8,526.6

Values of Systemically Important Payment Systems (SIPS) (2012 - 2019)

Year	ZIPSS (K'million)	Cheques (K'million)	EFTs (K'million)
2012	388,322.5	30,787.1	12,750.7
2013	528,950.7	38,011.0	17,109.1
2014	657,203.2	39,185.3	20,908.1
2015	887,544.4	37,958.9	21,829.2
2016	723,489.3	35,530.2	24,451.1
2017	799,745.0	21,075.6	38,863.6
2018	968,306.0	12,417.0	59,689.0
2019	975,283.0	11,206.9	67,812.8

Volumes of Systemically Important Payment Systems (SIPS) - (2012-2019)

Year	ZIPSS	Cheques	EFTs
2012	240,564	2,800,759	4,027,061
2013	294,503	3,200,202	4,643,599
2014	319,836	3,184,446	4,955,572
2015	374,661	3,045,211	5,171,982
2016	388,176	2,807,390	5,297,462
2017	493,964	2,346,707	5,895,397
2018	573,071	2,040,530	6,952,305
2019	607,114	1,794,631	7,800,720

Automated Teller Machines and Cards (2012 – 2019)

Year	No. of Automated Teller Machines		ATM Transaction Values	
	(ATMs)	No. of Cards	(K'million)	ATM Transaction Volumes
2012	643	1,676,982	18,134.1	34,152,340
2013	744	2,104,860	21,855.4	38,152,320
2014	896	2,552,949	28,404.0	43,926,555
2015	1,000	2,586,036	32,880.3	61,102,749
2016	1,045	2,929,438	38,066.4	47,081,469
2017	1,066	3,272,713	42,113.6	49,726,580
2018	1,104	3,492,750	45,582.5	44,726,867
2019	1,006	2,773,616	48,054.9	41,773,995

Points of Sale Machines (2012 – 2019)

Year	No. of Point of Sale (PoS) Machines		Values of PoS Transactions (K'million)	
	(PoS) Machines			Volumes of PoS Transactions
2012	2,025		790.6	1,677,179
2013	2,578		885.0	1,983,089
2014	3,266		1,551.8	2,937,453
2015	6,915		3,015.0	5,043,801
2016	9,356		4,948.4	8,103,127
2017	12,522		8,008.2	12,193,060
2018	13,090		13,459.3	18,409,724
2019	17,795		20,094.8	26,942,944

Mobile Payments (2012 – 2019)

Year	Value (K' million)	Volume
2012	1,163.60	17,430,411
2013	957.30	24,412,326
2014	1,574.39	35,457,948
2015	2,498.50	63,985,618
2016	3,561.10	105,934,181
2017	7,287.74	172,429,911
2018	22,191.56	303,955,243
2019	49,353.10	552,475,284

Source: Bank of Zambia

Remittances (2012 – 2019)

Year	Remittances into Zambia		Remittances out Zambia		Local Remittances		Total Remittances	
	Volume	Value (K'm)	Volume	Value (K'm)	Volume	Value (K'm)	Volume	Value (K'm)
2012	261,330	368.8	233,729	399.9	1,314,026	457.8	1,919,494	1,270.8
2013	278,972	413.5	246,543	480.3	3,980,145	896.9	4,505,660	1,790.8
2014	297,135	462.6	274,168	545.8	9,484,650	1,559.6	10,055,953	2,568.0
2015	342,273	656.2	287,386	625.6	24,835,333	3,409.3	25,464,992	4,362.7
2016	370,466	794.8	249,488	664.9	47,111,023	6,369.6	47,730,977	7,829.3
2017	434,122	913.0	298,978	870.9	67,761,202	10,336.1	68,494,302	12,120.0
2018	502,368	1,144.5	341,474	1,008.98	303,728,843	45,539.0	304,572,685	47,692.9
2019	691,617	1,617.5	342,433	1,096.0	469,416,539	82,109	470,450,589	84,823.2

Appendix II: Designated Entities as at 31 December 2019

DESIGNATED PAYMENT SYSTEMS

No.	Operator Institution	Payment system(s) designated to participate on	Date of Designation	Physical Address
1	Zambia Electronic Clearing House LTD	CIC/DDACC Clearing	Apr-08	COMESA Hse, Ben Bella Rd, Lusaka, Zambia
2	Financial Transaction Services Zambia LTD	Switching	Apr-12	Radian Retail Park, 8357-Great North Road, P.O. Box 3679, Lusaka, Zambia
3	ZamLink (Z) eSwitch Zambia LTD	Switching services	Apr-08	Zambia Red Cross Society Building, 2837 Los Angeles Boulevard, Longacres, P.O Box 38138, Lusaka, Zambia
4	Cellulant	Switching services	May-08	Cellulant Zambia Limited, P.O. Stand no. 4658/A Chikwa road, Ridgeway, Lusaka
5	Bank of Zambia	ZIPSS/RTGS	Apr-08	Head Office, Cairo Road, Bank square, P O Box 30080
6	Real Pay Zambia Limited	Payment System - Direct Debit Solution/ Online Payment Card Acceptance	2019	
7	Linknet Zambia Limited	Payment System	2019	
8	NetOne Payment Systems Limited,	Payment System	2019	
9	PayNow Zambia Limited	Payment System	2019	
10	Digital Shared Services Limited	Payment System	2019	Digital Shared Services Limited, Garden City Mall Office Park Unit B6, Great East Road, Waterfalls

DESIGNATED PAYMENT SYSTEMS PARTICIPANTS

No.	Name of Payment System Designated to Participate	Payment systems designated to participate on	Date of Designation	Physical Address
1	AB BANK	CIC, DDACC & ZIPSS/RTGS	Aug-11	Plot No. 7393, Chainda Place, Off Cairo Road, PO Box 38173, Lusaka, Zambia
2	ACCESS BANK	CIC, DDACC & ZIPSS/RTGS	Oct-08	Plot 682, Cairo Road Northend, Lusaka
3	ATLAS MARA	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot 746B, Atlas Mara House, Cnr Church & Nasser Road, PO Box 39501 Ridgeway
4	BANK OF CHINA	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 2339, Kabelenga Road, Po Box 34550
5	BARCLAYS BANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 4644 Elunda Park, Cnr Tito Road & Nasser Road, Private bag E308, Lusaka
6	CAVMONT CAPITAL	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 2374 Thabo Mbeki Road, Po Box 38474 Lusaka
7	CITIBANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Citibank house, Plot No. 4646, Addis Ababa Roundabout, Cnr Chikwa / Nasser Rds, Po Box 30037
8	ECOBANK	CIC, DDACC & ZIPSS/RTGS	Dec-09	Stand No. 22768, Corner Great East / Thabo Mbeki Roads, Po Box 30705, Lusaka
9	FIRST ALLIANCE BANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 627, Alliance House Cairo Road, Po Box 33959
10	FIRST CAPITAL BANK	CIC, DDACC & ZIPSS/RTGS	May-11	Kwacha Pension Hse Ground floor, plot No. 4604, Tito Rd of Church Rd
11	FIRST NATIONAL BANK	CIC, DDACC & ZIPSS/RTGS	Jun-09	Stand No. 22768, Corner Great East / Thabo Mbeki Roads, po box 36187, lusaka
12	INDO ZAMBIA BANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 6907, Cairo Road, Po box 35411, Lusaka
13	INVESTTRUST BANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 190286, Ody's Park, Great East Road, po box 32344, Lusaka
14	STANBIC BANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 2375, Addis Ababa Drive, Rhodespark, po box 31955, Lusaka
15	STANDARD CHARTERED BANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot 108, Lusaka Chartered House Cairo Road
16	UNITED BANK FOR AFRICA	CIC, DDACC & ZIPSS/RTGS	Mar-10	Stand No. 22768, Corner Great East / Thabo Mbeki Roads
17	ZANACO	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 33454, Cairo Road, Po Box 33611
18	ZAMBIA INDUSTRIAL COMMERCIAL BANK	CIC, DDACC & ZIPSS/RTGS	Oct-18	Farmers House, Central Park, Corner of Church road and Cairo road, P.O. Box 30228, Lusaka

DESIGNATED PAYMENT SYSTEMS PARTICIPANTS

	Payment Systems Businesses	Type of business designated to operate	Date of Designation	Physical Address
1	Airtel Mobile Commerce Zambia LTD	Mobile Payments (Mobile Payment services and money transmission services)	Mar-11	Airtel House, plot No. 2375 CNR of Addis Ababa & Great East Rd, Box 320001, Lusaka, Zambia
2	Zoona	Mobile Payments (Mobile Payment services and money transmission services)		plot No. 1 Chila Rd, Kabulonga, Lusaka, Zambia.
3	MTN Mobile Money LTD	Mobile Payments (Mobile Payment services and money transmission services)	Jan-12	Plot no. A2/55//609 Zambezi road, Roma, Lusaka.
4	National Savings and Credit Bank	Proprietary Money Transfer (money transmission services)	Jul-09	P O Box 30067, Savers House Plot NO. 248B, Cairo Road, Lusaka, Zambia
5	Zampost	Western Union International Money Transfer (money transmission services), Local Money Transfer (money transmission services)	Sep-08	Corner of Moffat & Broadway Provident Hse, PO Box 71845, Ndola
6	Runnymede	Coinster International Money Transfer (money transmission services)	Sep-08	Plot No. 97, Tindu Crescent, Kabulonga, Private Bag 383X, Ridgeway, Lusaka, Lusaka
7	Bayport	Mobile Payments Solutions (MPS) Money Transfer (money transmission services)	Dec-09	Plot No. 68, Bayport House, Independence Avenue, P.O. Box 33819, Lusaka, Lusaka
8	United Bank of Africa	Money Gram International Money Transfer (money transmission services)	Dec-09	Stand No. 22768, Acacia Park CNR of Great East Rd & Thabo Mbeki Rd, P.O box 36794, Lusaka, Zambia
9	First Capital Bank	RIA International Transfers (money transmission services)	May-11	Kwacha Pension Hse Ground floor, plot No. 4604, Tito Rd of Church Rd
10	Finance Bank Zambia	Money Gram International Money Transfer (money transmission services)	Sep-08	Finance Hse, Cairo Rd PO Box 36762, Lusaka, Zambia
11	Stanbic Bank	Money Gram International Money Transfer (money transmission services)	Jan-09	Plot No. 2375, Addis Ababa Drive, Rhodespark, Lusaka
12	ZANACO	Money Gram International Money Transfer (money transmission services)	Sep-08	Cairo Rd, PO Box 32111, Lusaka, Zambia
13	Investrust	Money Gram International Money Transfer (money transmission services)	Jul-09	Ody's Building, Great East Rd, PO Box 32344, Lusaka, Zambia
14	CFB Money Transfer Limited	Money Gram International Money Transfer (money transmission services)	Dec-09	PO Box 33456, CNR of Nkwazi & Cairo Rd, Lusaka, Zambia
15	Money Link Zambia LTD	Money Line UK International (money transmission services)	Dec-09	P.O.BOX 33604, Nkwazi/ ChaCha Cha Road, Lusaka
16	Ecobank	Western Union International and Rapid Transfer Money Transfer (money transmission services)	Dec-09	Plot NO. 22768 Acacia Park, CNR of Great East Rd & Thbo Mbeki Rd, Lusaka, Zambia
17	PostDotNet	Western Union International Money Transfer (money transmission services)	Oct-09	Suite 106, Foxdale courts, Zambezi Road, Roma, Lusaka Zambia
18	Cactus Financial Services	Western Union International Money Transfer (money transmission services)	Sep-08	shop no. 3 Luangwa house, Cairo road, opposite building society, lusaka, Zambia
19	Access Bank	Western Union International Money Transfer (money transmission services)	Jul-09	Plot NO. 682, Cairo Rd, PO Box 35273, Lusaka, Zambia
20	AB Bank	RIA International Transfers (money transmission services)	Aug-11	Plot No. 7393, Chainda Place, Off Cairo Road, PO Box 38173, Lusaka, Zambia
21	UAE Exchange Money Transfer services LTD	money transmission services	Jun-14	Plot NO. 9471 Kafue Road, P.O.Box 36774,Makeni, zambia
22	Touch4Pay Zambia Limited	Payment services	Aug-14	192 Green Lane, Kabulonga, Lusaka, Zambia
23	Kazang Spargris Zambia LTD	Mobile Money		Shop NO. 3 Acacia Park, Arcades, Great East Road, Lusaka, Zambia
24	SmartPay	Mobile Payment services	Mar-13	Plot No. 9037 Buluwe Road, Woodlands P.O.Box 31514, Lusaka, Zambia
25	Mobi Kash Zambia LTD	Mobile Commerce	Mar-13	Post.net No. 162, Private bag E835 Kabulonga, Lusaka, Zambia
26	Zambia National Building Society	Proprietary Money Transfer (money transmission services)	Mar-12	Centuary House, P.O.BOX 30420, Lusaka, Zambia
27	Zamtel Kwacha	Mobile Payments (Mobile Payment services and money transmission services)	Dec-14 Feb-15	Zambia Telecommunications Company Limited, Zamtel House, Corner of Church/ Chilubi road, P.O Box 37000, LUSAKA
28	Mukuru money transfers	money transfer	May-15	Mukuru Money Transfer, P.O Box 36038, Lusaka
29	Speedpay Zambia Limited formerly known as Netcash Mobile Payments Zambia Limited	E-Money issuance	Sep-15	Nettcash Mobile Payments Limited, Villa 10 Cresta Golf View Grounds, Lusaka.
30	Broadpay Zambia Limited	Payment services	Sep-15	BroadPay Zambia Limited, Corner of great east road and Katopola Roads, unique House, 1st floor Rhodespark, LUSAKA

DESIGNATED PAYMENT SYSTEMS PARTICIPANTS

	Payment Systems Businesses	Type of business designated to operate	Date of Designation	Physical Address
31	Vending Technologies Zambia Limited	Payment services	Sep-15	Vending Technologies Zambia Limited, P.O. Box 36730, Plot 55, Luwato road, Roma. LUSAKA
32	cGrate Zambia Limited	Payment services	Mar-16	Cgrate Zambia Limited, Plot 35214, Alick Nkhata road, Kalingalinga, Lusaka
33	FINCA Zambia Limited	Money Transfer Services	Jul-17	FINCA Zambia Limited, Plot No. 609 Zambezi Road, Suite 111 Foxdale Court, P.O. Box 50061, LUSAKA.
34	Virtual Space Zambia Limited	E-Money Issuance and Money Transfer Services	Feb-2018	Virtual Space Zambia Limited, Plot 5402, Los Angeles Road, Makeni, Lusaka
35	Zazu Africa Limited	E-Money Issuance/Pre-paid Cards	Sep-2018	Zazu Africa Limited, Counting House, Unit C, Thabo Mbeki Road, Lusaka
36	SamAfrica Online Zambia Limited	E-money issuer - web based	2019	SamAfrica Online Zambia Limited, Unit B, Jacaranda Mall, P.O. Box 71451, Ndola
37	LendMePay Zambia Limited	E-money issuer	2019	33 Mutende Road, Woodlands, LUSAKA

Picture Courtesy of UNCDF Zambia



Picture Courtesy of UNCDF Zambia



