



BANK OF ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

December 5, 2003

**CB Circular No: 21/2003**

**To : All Commercial Banks**

**CONSOLIDATED NET SETTLEMENT POSITION**

It has been observed that for sometime now, Commercial Banks have not been ensuring that their current accounts held at Bank of Zambia are sufficiently funded to cover their respective Consolidated Net Settlement Positions at the open of business the next morning. This undesirable banking practice must cease henceforth.

According to Rule 27.2 of the Zambia Electronic Clearing House (ZECH) Rules, "Member Banks Failure to Settle" states that "Each ZECH member shall be required to arrange sufficient current account balances at the Bank of Zambia to arrange settlement of the Consolidated Net Settlement Positions from the Lusaka Electronic Clearing House (ZECH).

Further, Rules 27.3 states that, "where there is insufficient balance in a member bank's current account to arrange settlement, the member may obtain additional current account balances by discounting securities with Bank of Zambia. Further procedures to be followed where the member bank is unable to arrange sufficient balance to settle, even after discounting securities, are contained in Rules 27.4 to 27.18.

In this regard, the Bank of Zambia will with effect from 15 December, 2003 strictly invoke the full provisions of Rule 27 of the ZECH to which all Commercial Banks are signatories.

In view of the above, all Commercial Banks are therefore requested to strictly adhere to the said provisions and ensure that the respective commercial bank current accounts held at Bank of Zambia are sufficiently funded to cover the expected Consolidated Net Settlement Positions by 9.00 hours of each business day.

  
Dp. **Denny H Kalyalya (Dr)**  
**DEPUTY GOVERNOR - OPERATIONS**

Cc: Governor

The Manager – ZECHL  
Lusaka