



Bank Of Zambia

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXE/DGO/fmks/bp

November 18, 2015

CB Circular No. : 22/2015

To : All Heads of Commercial Banks

CHANGES TO THE OVERNIGHT LENDING FACILITY WINDOW

In view of the unprecedented developments in the domestic foreign exchange and money markets, the Bank of Zambia wishes to advise all commercial banks that, with immediate effect, access to the Overnight Lending Facility (OLF) window will only be allowed once in a week. In addition, the automatic route by commercial banks for accessing overnight funds through lapsing intraday loans has henceforth been discontinued.

Where a commercial bank fails to repay the cash obtained under the intraday repo facility, it will be treated as a default, and the securities covering the value of the loan, including the haircut, will automatically be forfeited to Bank of Zambia.

Above measures are in line with the current Bank of Zambia monetary policy stance aimed at containing inflationary pressures.

The Bank of Zambia will continue to monitor developments in the money market and review the conditions for accessing the OLF from time to time.

A handwritten signature in black ink, appearing to read 'Bwalya K. E. Ng'andu'.

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

Cc Governor