



**Bank of Zambia**

**OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS**

BOZ/EXEC/DGO/fmkts/bp

July 14, 2023

CB Circular No. : 17/2023

To : All Heads of Commercial Banks

**REGISTRATION OF CLIENT ACCOUNTS ON THE CENTRAL SECURITIES DEPOSITORY SYSTEM**

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Reference is made to the above subject matter and CB Circular No. 11/2023 regarding the implementation of Straight Through Process (STP) for Government Securities payments effective July 6, 2023.

The Bank of Zambia has observed that commercial banks are still holding some of their clients' securities in single omnibus accounts in the Central Securities Depository (CSD). The omnibus accounts are not linked to customers' bank accounts at commercial banks and, therefore, payments of investment proceeds cannot be directly credited to the investors from the Bank of Zambia. This will undermine settlement efficiency expected to be achieved with the implementation of the STP which went live on July 6, 2023.

In this regard, holding of customers' securities in single omnibus accounts will no longer be permitted. Commercial banks are hereby directed to dismantle client omnibus accounts and create individually segregated accounts registered in their customers' names. Accordingly, the second sentence under section 6.1, titled 'General' of the CSD Rules has been amended to read as follows:

*'Participants will hold client securities at individual beneficial owner level only. Client securities shall not be held in single omnibus accounts.'*

Further, the requirement to register client accounts by name is extended to investor accounts in the CSD that are already segregated but are only identified by acronyms or a number assigned by a commercial bank. This measure is aimed at minimising risks to investors and improving the accuracy of information on holders of Government securities.

Commercial banks are directed to effect these changes by August 1, 2023.

For any clarifications, please contact the Government securities team on +211 399399 and/or email, [Government.Securities@boz.zm](mailto:Government.Securities@boz.zm).

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**DEPUTY GOVERNOR – OPERATIONS**

cc Governor