



BANK Of ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - ADMINISTRATION

BOZ/EXEC/DGA/fmks/nc

16 November, 2016

CB Circular No : 09/2016

TO : All Heads of Commercial Banks

COMPLIANCE ON STATUTORY RESERVE RATIOS AND ACCESS TO THE OVERNIGHT LENDING FACILITY

Reference is made to CB Circular No. 13/2014 dated 30 May 2014 and CB Circular No. 22/2015 dated 18 November 2015.

Commercial banks are hereby advised of the following changes regarding compliance on Statutory Reserve requirements and access to the Overnight Lending Facility (OLF):

Statutory Reserve Compliance

With effect from Monday 21 November 2016, commercial banks will be required to comply with the Statutory Reserve requirements on a weekly basis as opposed to the daily compliance currently in place.

Access to OLF

With immediate effect, the restriction on commercial banks' OLF access to once a week has been lifted. Commercial banks will be allowed to access OLF funds more than once a week provided that there is sufficient collateral to cover the funds. Furthermore, in instances where a commercial bank fails to repay an intraday loan at the end of business day, such intraday loan shall be converted to an overnight loan.

The Bank of Zambia will continue to monitor developments in the macroeconomic environment and stands ready to take appropriate measures as and when deemed necessary.

Dr Tukiya Kankasa-Mabula
DEPUTY GOVERNOR – ADMINISTRATION

Cc Governor
Deputy Governor – Operations
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