



Bank Of Zambia
OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DGO/bcps/bp

October 30, 2020

CB Circular No. : 26/2020

To : All Heads of Commercial Banks

PAPER AND PLASTIC CASH BANDING AND PACKAGING SYSTEM

We wish to notify all commercial banks that the use of rubber bands for banding banknotes in packets and bundles shall be discontinued throughout the industry and that a new method of using paper and plastic shall be adopted for this purpose. This is due to the numerous disadvantages observed with the use of rubber bands such as damage caused by the bands as a result of tension applied during cash handling. This has adversely affected cash processing activities and ultimately the lifespan of the banknotes in circulation.

The need to move to a more efficient method of banknote banding and packaging is aimed at improving the efficiency of the overall cash cycle operations and enhancing the longevity of our banknotes in circulation. In view of this, commercial banks and major cash handlers are expected to prepare for this transition by procuring the necessary equipment for implementation.

The dates for full compliance with the new cash banding and packaging system are as follows:

- (i) All commercial bank branches within Lusaka and Ndola – December 31, 2021;
- (ii) All commercial bank branches outside Lusaka and Ndola – June 30, 2022.

In this regard, banknote shrink wrapping for deposits to Bank of Zambia shall be extended to all denominations.

Please be advised accordingly.

Francis Chipimo (PhD)
DEPUTY GOVERNOR – OPERATIONS

cc Governor
Director – Banking, Currency and Payment Systems
Director – Regional Office