



BANK of ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DGO/fmkts/bp

March 22, 2022

CB Circular No. : 05/2022

To : All Heads of Commercial Banks

EXTERNAL OPERATING RULES AND GUIDELINES FOR GOVERNMENT SECURITIES

Reference is made to the above subject matter.

The Bank of Zambia hereby issues revised External Operating Rules and Guidelines for Government Securities as follows:

1. Revision of Government securities bidding thresholds which became effective in September 2021 (Section 3.1.3 and 6.1.3);
2. Incorporate guidance to the market on cut-off of submission applications for Central Securities Depository (CSD) account opening. The cut-off is introduced to enhance operational efficiency, and orderliness on auction day (Section 3.1.5);
3. Incorporate penalty on the late settlement of Government securities as stipulated in Circular No. 06/2014 on Penalty for Late Settlement of Government Securities Transactions issued on March 22, 2014 (Section 4.2.1 and 7.2.1); and
4. Enhance the section on secondary market trading by adding a paragraph on the general procedure for trading in the secondary market and further align the rediscounting provisions with the revision in the bidding thresholds (Section 9.1).

The revision is intended to enhance the operations of the Government securities market. Kindly be advised that these Guidelines replace the previous guidelines.

For any queries and/or clarifications regarding the matter at hand, kindly contact our Financial Markets Department.

Francis Chipimo (PhD)
DEPUTY GOVERNOR – OPERATIONS

cc Governor
Director – Financial Markets