May 22, 2018

PSB Circular No.: 01/2018

To: All Electronic Money Issuers and Commercial Banks

NATIONAL PAYMENT SYSTEMS DIRECTIVES ON ELECTRONIC MONEY ISSUANCE, 2018

Reference is made to the above subject.

The Bank of Zambia would like to advise that the National Payment Systems Directives on Electronic Money Issuance, 2015 have been repealed. In their place are the new directives, the National Payment System Directives on Electronic Money Issuance, 2018. These directives were effective April 27, 2018.

All Electronic Money Issuers are hereby required to comply with the new directives of 2018. The issuance of the revised directives is aimed at harmonizing the directives with developments in the payment systems and to create an enabling environment for increased financial inclusion through promotion of digital financial services.

Failure to comply with the directives will attract penalties as stipulated in Section 43 of the National Payment Systems Act.

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

Cc Governor
Deputy Governor – Administration
Director – Bank Supervision
Director – Non-Bank Financial Institutions Supervision

Att.
The National Payment Systems Act (Act No. 1 of 2007)

Whereas, the Bank is entrusted with the responsibility of regulating, overseeing and establishing an efficient and safe payment system in Zambia; and

Whereas, it is in the interest of the Bank to protect the integrity of the payment, clearing and settlement system,

Now therefore, in exercise of the powers contained in Section forty-three of the National Payment Systems Act, the following Directives are hereby made.

PART I
Preliminary

Short title
1. These Directives may be cited as the National Payment Systems Directives on Electronic Money Issuance, 2018.

Repeal and Replacement of National Payment Systems Directives on Electronic Money Issuance, 2018 contained in Gazette Notice No. 416 of 2015

2. The National Payment Systems Directives on Electronic Money Issuance, 2015 contained in Gazette Notice No. 416 of 2015 are hereby revoked and replaced by these Directives.

Application
3. These Directives shall apply to any person conducting or offering to conduct the services of issuing E-money in Zambia.

Authority of the Bank
4. (1) The Bank shall be the regulatory authority for the purpose of giving effect to these Directives.

(2) The Bank may, subject to such conditions as it may consider necessary, delegate to any person the performance of any of the powers conferred upon the Bank in these Directives.

(3) The Bank may require an E-money institution to furnish it with details of any of its operations.

(4) The Bank may require access to the E-money institution’s operations, data, commercial banks and non-bank financial institution maintaining the Holding Account, Collections accounts and Agents.

Interpretation
In these Directives, unless the context otherwise requires:

“Act” means the National Payment Systems Act, 2007;

“Agent” means a person or entity appointed by an E-money Institution to provide certain e-money related services on its behalf;

“Average outstanding electronic money” means the average total amount of electronic money liabilities in issue at the end of each calendar day over the preceding six calendar months, calculated on the first calendar day of each calendar month and applied for that calendar month;

“Bank” means the Bank of Zambia established under Article 213 (1) of the Constitution and section 3 of the Bank of Zambia Act;

“Business day” means all official working days of the week and do not include public holidays and weekends;

“Collection account” means an account maintained for the purpose of receipt of funds from an E-money customer or agent for the purchase of electronic money for onward transfer to the holding account;

“Designation” means the authorization granted by the Bank to enable an entity to operate electronic money business in Zambia;

“Distributor” means a person—
(a) Acting on behalf of an E-money institution;
and
(b) Engaged by the E-money institution to distribute and redeem electronic money;

“Electronic money” or “E-money” means any electronic state of monetary value represented by a unit on the issuer, that is:

(a) Issued on receipt of funds in an amount no lesser in value than the value of the e-money issued;

(b) Stored on an electronic device;

(c) Accepted as a means of payment by persons other than the issuer; and

(d) Redeemable upon demand for cash denominated in Zambian Kwacha;

“E-money institution” means an entity that is authorized to issue e-money against receipt of funds;

“E-wallet” means an electronic device on which a customer holds electronic monetary value;

“Holding Account” means a bank account held in trust by an E-money Institution, in which as E-money Institution holds all the funds received from customers and Agents which represent the outstanding e-money liabilities;

“Interoperability” means the ability of a system, product or service to work with other systems, products or services without special effort on the part of the customer;

“Person” shall have the meaning assigned to it in the Act;

“Register” means the register maintained by the Bank of Zambia under Directive 14; and
PART II

Requirements for Authorization or Designation for Issuance of Electronic Money

Authorization or designation to issue electronic money

6. (1) Any person intending to issue electronic money shall apply to the Bank for authorization or designation.

(2) Commercial banks shall only require the Bank's authorization or approval to issue electronic money. A bank shall be required to submit, amongst others, the following:

(a) A detailed project proposal;
(b) Risk management framework for the project; and
(c) Service level agreements and any other agreements related to the project.

7. (1) Applicants other than commercial banks shall apply to the Bank for designation. The application shall be in a form prescribed by the Bank and shall be accompanied by such fees and the form of application shall include the following:

(a) certified copies of the Certificate of Incorporation and the Articles of Association of the company;
(b) the physical and postal addresses of its head office;
(c) names and the permanent residential addresses of its directors, and key senior management and significant shareholders or beneficial owners;
(d) the addresses of each branch proposed to be opened by the applicant, and, in the case of a mobile office, the area proposed to be served;
(e) details of the type of services proposed to be offered;
(f) Business plan with projected financial statements for at least three years that demonstrate that the applicant is able to comply with the applicable standards and regulations; and
(g) Where the applicant is an established business, audited financial statements for the previous two years;
(h) The source and evidence of availability of capital;
(i) A description of the applicant's governance arrangements and internal control mechanisms (including its administrative, risk management and accounting procedures) that demonstrate that those governance arrangements, control mechanisms and procedures are proportionate, appropriate, sound and adequate;
(j) A description of the internal control mechanisms that the applicant has established to comply with its obligations in relation to money laundering and terrorist financing;
(k) The name and address of the applicant's auditors, who shall be registered under an accounting body of Accountants and shall be subject to the approval of the Bank;
(l) The name and address of the applicant's proposed auditor;
(m) Details of risk mitigation, management and control mechanisms that have been or will be put in place;
(n) Standard Agency Agreement and Agreements with other key stakeholders;
(o) Proposed Holding Account Agreement;

Designation certificate

8. (1) Where the Bank is satisfied that the applicant has met the requirements for designation, the Bank shall issue an application.

(2) The Bank shall, where an application is approved and upon payment of an annual designation fee by the applicant, issue the applicant with a designation certificate.

(3) A designation certificate may be issued subject to such terms and conditions as the Bank may impose.

(4) A designation certificate shall remain valid unless it is revoked by the Bank of Zambia.

Pre-launch inspection

9. (1) Applicants granted a designation certificate other than commercial banks shall not offer their services to members of the public until the Bank of Zambia conducts pre-launch inspection of its premises and systems to ascertain the suitability of the business premises, security environment, systems and technology being used by the provision of the services.

(2) The Bank of Zambia shall, not later than five (5) working days after the inspection, inform the institution in writing whether or not the premises and systems are available for commencement of business operations.

Refusal to designate

10. (1) The Bank may refuse to grant designation if the applicant does not meet the requirements prescribed by the Bank.

(2) An applicant aggrieved by the refusal of the Bank to grant designation may appeal against the decision in accordance with section 41 of the Act.

Display of designation certificate

11. (1) An E-money institution shall display its designation certificate in a conspicuous place at its Head Office.
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(2) An e-money institution shall display a certified copy of its designation certificate in a conspicuous place on the premises of every branch where it conducts its business.

(3) An e-money institution that contravenes Sub-Directive (1) or (2) commits an offence.

3. Designation certificate not transferrable

13. (1) A designation certificate shall not be transferred, assigned or encumbered in any way.

(2) A person shall not operate or manage an e-money institution on behalf of another person, without the prior written approval of the Bank.

(3) Any person who contravenes Sub-Directive (1) or (2) commits an offence.

Revozation of designation certificate

14. (1) The Bank of Zambia may revoke a designation certificate for non-compliance or breach of the law, guidelines and directives as may be issued from time to time.

(2) Where the Bank decides to revoke a designation certificate, the Bank shall—

(a) issue a warning letter and/or fine;

(b) suspend the designated entity should it fail to comply after the issuance of the warning letter and/or fine; and

(c) revoke the designation certificate.

Register of electronic money institutions

15. (1) The Bank of Zambia shall maintain a register of—

(a) licensed electronic money institutions and their branches;

(2) The Bank may—

(a) keep the register in any form it deems fit; and

(b) include on the register such information as the Bank considers appropriate.

(3) The Bank may—

(a) publish the register in any other way and may make such publication available for public inspection;

(b) update the register on a regular basis; and

(c) provide a certified copy of the register, or any part of it,

(i) on payment of a fee fixed by the Bank; and

(ii) in a form (either written or electronic) in which it is legible to the person asking for it.

3. Minimum capital requirements

16. (1) An e-money institution shall be required to have an initial capital as prescribed by the Bank and must maintain continuing capital as outlined in (2).

(2) Continuing Capital shall be equal to or greater than 2% of the larger of

(a) the current amount of its outstanding e-money liabilities at the end of the prior business day; or

(b) the average outstanding electronic money liabilities.

(3) Continuing capital shall not fall below the minimum initial capital.

(4) The conditions under which funds may be recognized and measured as capital of an e-money issuer shall include the following:

(i) Fully paid ordinary shares capital;

(ii) Share premium account;

(iii) Retained earnings; and

(iv) 40% of Revaluation reserves.

(5) An e-money institution that is in operation at the coming into effect of these Directives and does not meet the minimum capital requirements shall be required to build its capital to the prescribed level not later than two years from the date of coming into force of these Directives.

Insurance and redemption of e-money

17. (1) An e-money institution shall not—

(a) issue e-money unless an equivalent amount of funds has first been deposited into the Holding Account;

(b) issue e-money at a discount;

(c) issue e-money on credit; and

(d) redeem e-money at more than face value.

(2) An e-money institution shall redeem e-money in cash or by transfer to a customer’s bank account provided that such redemption shall be done at face value and any fees or charges owed to the e-money institution may be debited to the customer at the time of such redemption.

Transaction and balance limits

18. The Bank shall prescribe transaction and balance limits on an e-wallet for the following categories of customers of an e-money institution:

(a) Individuals;

(b) Businesses; and

(c) Agents.

Unclaimed e-money

19. (1) Any e-money held by an e-money institution shall be presumed abandoned upon the expiration of two years after there have been no customer initiated transactions or the e-wallet and the person in whose name the e-money is held does not respond to a notice sent by the e-money institution within the two-year period.

(2) An e-money institution holding e-money presumed abandoned shall relinquish the funds to the Bank within thirty days after the e-money is deemed abandoned.

(3) An e-money institution holding abandoned e-money at the time of coming into effect of these directives shall immediately relinquish such funds to the Bank.

(4) An e-money institution that relinquishes funds to the Bank under (2) and/or (3) shall retain the records concerning the relinquished funds for a minimum period of ten (10) years.

(5) A person whose e-money has been relinquished to the Bank in accordance with this directive may claim the funds from the Bank within a period of five years from the date of receipt of the funds by the Bank.
PART III
SAFEGUARD OF CUSTOMER FUNDS

HOLDING ACCOUNT

19. For the purposes of these directives "customer funds" comprise sums of funds received in exchange for electronic money that has been issued.

(1) An E-money institution shall hold customer funds in trust on behalf of its customers in a Holding Account;

(2) An E-money institution shall maintain the Holding Account at a commercial bank or non-bank financial institution approved by the Bank of Zambia for this purpose;

(3) An E-money institution that has in issue e-money shall not hold more than 25% of the total customer funds in a single commercial bank or approved non-bank financial institution;

(4) The aggregate value of the Holding Account shall at least equal to the total outstanding e-money liabilities at all times;

(5) The E-money institution shall on a daily basis furnish each commercial bank or approved non-bank financial institution with which it maintains a holding account the balance of electronic value on their system in respect of the funds on the holding account. The E-money institution and the commercial bank or approved non-bank financial institution shall ensure that the funds on the holding account or accounts are at least equal to the electronic value on the e-money issuer's system in respect of the holding account;

(6) Any deficiencies in terms of the customer funds to the total outstanding e-money liability shall be rectified the next business day;

(7) Funds held by an E-money institution as required under Sub-Directive 1 above shall be available on demand to meet requests from customers for redemptions;

(8) The Holding Account shall be maintained in such a way as to show that it is an account which is held for the purpose of safeguarding customer funds in accordance with these Directives and shall not be co-mingled with operational funds;

(9) The Holding Account shall be used only for holding customer funds for the purpose of facilitating customer transactions and paying legitimate charges of the e-money institution for services provided to customers;

(10) An E-money institution shall not in any way invest or intermediate funds held in the Holding Account;

(11) An E-money institution shall submit to the Bank a monthly reconciliation statement of the funds held in the Holding Account and the e-money on their system;

(12) The trust relationship pertaining to the funds held in the Holding Account shall be between the E-money institution and its customers;

(13) An E-money institution shall not offer funds held in the Holding Account as collateral to any party;
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Industry-wide projects that promote effective interconnectivity, education campaigns to promote electronic money, consumer education campaigns provided such activities do not promote a specific e-money institution and have been approved by the Bank;

(3) Discount or waiver of merchant fees, transaction fees or other fees payable by a customer;

(4) Any other activity as may be determined or approved by the Bank.

(2) An application for approval to use interest shall be accompanied by the following information:

(a) A detailed description of the activity in question for the use of the interest earned on the Holding account;

(b) Measurable objectives and the expected measurable output of the activity;

(c) The mechanism that the electronic money institution will use to track and monitor the execution of the detailed activities;

(d) A budget highlighting the detailed activities that the interest will be used on;

(e) The accounting mechanism that will be put in place to monitor the use of funds;

(f) Any other information as the Bank of Zambia may require.

(3) The Bank may approve an application subject to the following conditions:

(a) The use of the interest earned on the Holding account is to be used in accordance with the directive;

(b) The Bank may inspect all records relating to interest earned on the Holding account including usage of approved funds;

(c) The Bank may cause an inspection or audit of the approved funds;

(d) An E-money Institution shall submit a return every month by the 10th business day to the Bank showing the net usage of the interest earned on the Holding account and the Bank may disapprove the return if, in its opinion, the use of the interest has not been in accordance with the directive;

(e) An E-money Institution shall maintain a separate bank account and records for purposes of keeping the interests earned on the Holding account and the Bank may disapprove the return if the use of the interest has not been in accordance with the directive;

(f) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

PART IV

DISTRIBUTION, AGENTS AND OUTSOURCING

Use of distributors and agents

24. (1) An E-money Institution may distribute or redeem electronic money through a Distributor or Agent.

(2) An E-money Institution shall not issue electronic money through a Distributor, Agent or any other person acting on its behalf.

Distribution of electronic money through an Agent

25. (1) An E-money Institution may distribute electronic money through Agents provided it carries out adequate due diligence on the Agents before the Agent is engaged.

(2) Where the E-money Institution intends to use Agents, it shall submit the following to the Bank at least 30 days prior to it conducting business through Agents:

(a) The procedures for recruiting Agents;

(b) A description of the internal control mechanisms that will be used by the Agent to comply with the anti-money laundering and combating financing of terrorism requirements;

(c) A copy of the draft standard agency agreements;

(d) The risk management framework for the Agents;

(e) Agent manuals and materials to be used for training; and

(f) Description of the system to be used for providing services through Agents.

(3) The E-money Institution shall:

(a) Have written agreements with all Agents;

(b) Not enter into exclusive arrangements with Agents;

(c) Be able to track and monitor the activities of the Agents;

(d) Highlight the detailed activities that the interest will be used on;

(e) The accounting mechanism that will be put in place to monitor the use of funds;

(f) Any other information as the Bank of Zambia may require.

(4) The Bank may approve an application subject to the following conditions:

(a) The use of the interest earned on the Holding account is to be used in accordance with the directive;

(b) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(5) The Bank may inspect all records relating to interest earned on the Holding account including usage of approved funds;

(6) The Bank may cause an inspection or audit of the approved funds;

(7) An E-money Institution shall submit a return every month by the 10th business day to the Bank showing the net usage of the interest earned on the Holding account and the Bank may disapprove the return if, in its opinion, the use of the interest has not been in accordance with the directive;

(8) An E-money Institution shall maintain a separate bank account and records for purposes of keeping the interests earned on the Holding account and the Bank may disapprove the return if the use of the interest has not been in accordance with the directive.

(9) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(10) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(11) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(12) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

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(16) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(17) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(18) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(19) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(20) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(21) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(22) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(23) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(24) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(25) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(26) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(27) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(28) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(29) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(30) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(31) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(32) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(33) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(34) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(35) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(36) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(37) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(38) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(39) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(40) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(41) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(42) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(43) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(44) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(45) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(46) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(47) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(48) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(49) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.

(50) The Bank may inspect all records relating to interest earned on the Holding account and the use of approved funds for a period of five (5) years.

(51) Any person who uses interest earned on the Holding account without prior Bank approval commits an offence and is liable to a fine not exceeding two thousand thousand penalty units or for a term of imprisonment not exceeding three years or both.
(6) The E-money Institution shall provide the Bank with a quarterly update of the Agents in a prescribed format. The update shall include—

(i) the name, contact details and location;
(ii) the identity of the director and persons responsible for the management of the Agent where applicable; 
(iii) the beneficial owners of the entity providing the agency services; and
(iv) such other information as the Bank may require.

Outsourcing

26. (1) An E-money Institution shall not outsource the issuance of e-money to a distributor, agent or any other person.

(2) An E-money Institution must notify the Bank of its intention to outsource any operational function relating to the issuance, distribution or redemption of electronic money or the provision of payment services.

(3) Where the E-money Institution intends to outsource any important operational function, the following conditions shall be met:

(a) the outsourcing is undertaken in such a way as to—
   (i) the quality of the institution’s internal control; or
   (ii) the ability of the Bank to provide effective oversight of the electronic money institution’s activities;

(b) the outsourcing does not result in any delegation by the senior management of the E-money Institution of responsibility for complying with the requirements imposed by these Directives;

(c) the relationship and obligations of the E-money Institution towards its electronic money holders under these Directives is not substantially altered;

(d) compliance with the conditions under which the designation was issued will not be adversely affected; and

(e) None of the conditions of the institution’s designation requires removal or variation.

(4) For the purposes of paragraph (3), an operational function is important if a defect or failure in its performance would materially impair—

(a) compliance by the E-money Institution with these Directives and any requirement issued under its designation;

(b) the financial performance of the E-money Institution; or

(c) the soundness or continuity of the E-money Institution’s electronic money issuance or provision of payment services.

Responsibilities with third parties

27. (1) Where an E-money Institution relies on a third party for the performance of operational functions it must take all reasonable steps to ensure that these Directives are complied with.

(2) An E-money Institution remains liable for any act of—

(a) its employees; or

(b) any distributor, agent or entity to which activities are outsourced.

PART V

Prohibitions and Restrictions

Prohibition of unauthorized business

28. (1) A person shall not issue or offer to issue e-money unless the person has been authorized or designated by the Bank.

(2) A person who contravenes Sub-Directive (1) commits an offence and is liable, on conviction, to a fine not exceeding two hundred thousand penalty units or imprisonment for a term not exceeding three years, or to both.

Restriction on e-money business

29. (1) An E-money Institution other than commercial banks shall—

(a) not undertake any other business other than business that is related to the provision of e-money business;

(b) not enter into partnerships or enter into any other agreements except those that provide functions related to issue of e-money;

(c) not be in the business of making or granting loans or credit.

(2) A person not regulated under the Banking and Financial Services Act and engaged in business unrelated to e-money but wishes to provide e-money services shall register a new body corporate for the provision of the e-money services.

PART VI

Customer Transactions and Protection

Know Your Customer requirements

30. The E-money Institution shall comply with—

(1) Know Your Customer (KYC) requirements;

(2) anti-money laundering and terrorist financing regulations as may be issued by relevant authorities.

Customer transactions

31. (1) An E-money Institution shall establish and maintain such systems and controls that shall ensure that—

(a) transactions authentication methods do not reject or reject valid e-money transactions once initiated by a customer;

(b) customer transactions are completed in real time from the time a customer initiates the transaction;

(c) a customer may hold more than one e-wallet with an E-money Institution and the aggregate amount of all e-wallets held by a customer with the E-money Institution shall not exceed the prescribed limit;

(d) authorization controls and access privileges for all systems, databases and applications are restricted to authorized persons only;

(e) data integrity of the transactions is maintained and protected;

(f) there is clear audit trail for all transactions;

(g) confidentiality of all customer and transaction information is maintained;

(h) identification, authorization and authentication of transactions is based on international standards.

(2) The E-money Institution shall have a business continuity plan and disaster recovery site.

(3) An E-money Institution shall—

(a) establish procedures for dealing with customer complaints;
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(b) reduce the customer complaints handling procedure into writing and place a copy in a conspicuous place at all the branches and at their agency’s place of business,

(c) give a copy of the procedure to the customer when requested;

(d) designate a senior officer as customer service officer responsible for implementing and administering the customer complaint procedure; and

(e) maintain a record of customer complaints received indicating the nature of the complaint, when it was received, and how the complaint was resolved or disposed of for a period of ten (10) years.

4. An E-money Institution shall—

(a) exercise due diligence to ensure the creditworthiness of all transactions; and,

(b) implement a credit risk management framework.

Investigations

37. (1) The Bank may, by its officers or agents duly authorised in writing—

(a) enter any premises of any person, if it is believed to be providing or carrying out transactions in relation to E-money or other financial services business; and

(b) inspect any books, accounts and records of any person and take copies of or make extracts from them.

PART VIII

Other Requirements

Duty to notify change

38. (1) Where it becomes apparent to an E-money Institution that a change is likely to be a significant change in circumstances which is relevant to—

(a) the conduct of the business of providing or carrying out transactions in relation to E-money or other financial services business; or

(b) the performance of any obligation, condition or requirement of these Directives, the Bank shall be notified in writing at least twenty-eight (28) days before the change commences.

Record Keeping

34. (1) E-money Institutions must maintain customer information and transaction records for a minimum period of one year from the date on which the record was created.

Submission of returns

35. (1) An E-money Institution shall submit returns in a prescribed format to the Bank every month by the 10th business day of the following month.

2. An E-money Institution shall submit an incident report to the Bank of Zambia within 24 hours of all major instances affecting its operations. The report shall state controls in place and steps taken to rectify the matter and prevent recurrence.

3. The Bank may require an E-money Institution to submit any other information that the Bank may consider necessary.

Oversight Inspection

36. (1) The Bank—

(a) may require any E-money Institution to provide such information as it may require to monitor the Institution’s compliance with these Directives;
In liquidation

42. (1) In these Directives, "insolvency event" means any of the following procedures in relation to an e-money institution:
   (a) the making of an winding-up order;
   (b) the making of a resolution for voluntary winding-up;
   (c) the entry of the institution into administration;
   (d) the appointment of a receiver or manager of the institution's property;
   (e) the approval of a proposed voluntary arrangement (being a composition in satisfaction of debts or a scheme of arrangement);
   (f) the making of a bankruptcy order;
   (g) the conclusion of a composition contract with creditors;
   (h) the making of an insolvency administration order; and
   (i) the conclusion of a composition contract with creditors.

(2) In an insolvency event, an e-money institution shall not:
   (a) receive any funds or issue any e-money; or
   (b) enter into any new or continue to conduct any existing e-money business except that which is incidental to the orderly realisation, conservation and preservation of its assets.

Gazette Notice No. 395 of 2018 [500597]

The Marriage Act
(Volume 2, C.P. 50 of the Laws of Zambia)

Appointment of a Person to Solemnise Marriages

In exercise of powers conferred upon me as Town Clerk for Chingola Municipal Council by section 5(2) of the Marriage Act, the person named in the Schedule set out hereunder is appointed to solemnise Marriages in the Republic of Zambia.

K. Mudenda
Town Clerk
Chingola Municipal Council
Chingola

SCHEDULE

Name: Rev. Matthew Fikita
Place: Central Baptist Church

Gazette Notice No. 395 of 2018 [501398]

The Marriage Act
(Volume 2, C.P. 50 of the Laws of Zambia)

Appointment of a Person to Solemnise Marriages

In exercise of powers conferred upon the Town Clerk of Ndola Municipal Council by section 5(2) of the Marriage Act Cap. 50 of Laws of Zambia the person named in the Schedule set out hereunder is appointed to solemnise Marriages in the Republic of Zambia.

Z. Mungu
Town Clerk
Ndola Municipal Council
Ndola

SCHEDULE

Name: Rev. Aaron Chishimbi
Place: Pentecostal Assembly of God

The Lands and Deeds Registry Act
(Chapter 185 of the Laws of Zambia)

(Section 56)

Notice of Intention to Issue a Duplicate Certificate of Title

Pursuant thereto after the publication of this notice we intend to cause the Register of Lands and Deeds to issue a Duplicate Certificate of Title relating to Para. No. 2156 belonging to Elizabeth Lubasi Moyo and Jack Moyo situated in the Lusaka Province of the Republic of Zambia.

All persons having objections to the issuance of the duplicate certificate of title are hereby required to lodge the same in writing with the Registrar of Lands and Deeds within fourteen days from the date of publication of this notice.

Rita Mwamba Advocates
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Lusaka

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