



BANK OF ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DGO/fmkts/bp

November 3, 2023

CB Circular No. : 30/2023

To : All Heads of Commercial Banks

ADJUSTMENT TO THE KWACHA AND FOREIGN CURRENCY STATUTORY RESERVE RATIO

Reference is made to CB Circular No. 02/2023 dated February 1, 2023.

The Bank of Zambia wishes to advise all commercial banks that with effect from Monday, November 13, 2023, the minimum statutory reserve ratio on both local and foreign currency deposits, including Government deposits and vostro accounts deposits, will be increased by 3 percentage points to 14.5 percent from 11.5 percent. In terms of compliance, the revised statutory reserve ratio of 14.5 percent will be based on the Weekly Return of Selected Assets and Liabilities as of Wednesday, November 8, 2023.

This measure is aimed at relieving the persistent foreign exchange market pressure with a view to reining in inflation. The Bank of Zambia will continue to closely monitor developments in the macroeconomic environment in general and in the financial markets in particular and take appropriate action as and when the need arises in line with the Bank's objective of price and financial stability.

Francis Chipimo (PhD)
DEPUTY GOVERNOR – OPERATIONS

cc Governor