



BANK of ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DGO/fsp/am

May 24, 2021

CB Circular No. : 07/2021

To : All Heads of Financial Service Providers

CHANGES TO THE TERMS AND CONDITIONS OF THE TARGETED MEDIUM-TERM REFINANCING FACILITY

Reference is made to the captioned matter and the Targeted Medium-Term Refinancing Facility (TMTRF) Terms and Conditions document issued on December 11, 2020.

Please be informed that effective May 24, 2021, the Bank has made further changes to the Terms and Conditions as follows:

1. Amended Section 2 by removing the 60% and 40% split in the allocation of funds between priority and non-priority sectors, respectively;
2. Amended Section 7.2 to allow the Bank to approve advances to non-targeted sectors for periods up to five years where this is deemed necessary; and
3. Amended Section 7.3 to allow the FSPs to request the Bank to vary the tenor, with justification on approved but not yet disbursed advances.

The Bank of Zambia will continue to monitor the TMTRF and further amendments may be made as and when necessary. The revised Terms and Conditions document reflecting these changes is enclosed for your ease of reference.

Kindly be guided accordingly.

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DEPUTY GOVERNOR – OPERATIONS