



Bank Of Zambia

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

September 2, 2013

CB Circular No: 19 /2013

To : All Heads of Commercial Banks

AMENDMENT TO THE NATIONAL PAYMENT SYSTEM DIRECTIVES ON CHEQUES AND DIRECT DEBIT INSTRUCTIONS ISSUED ON INSUFFICIENTLY FUNDED ACCOUNTS 2010

Your attention is called to the National Payment Systems Directives on Cheques and Direct Debit Instructions Issued on Insufficiently Funded Accounts Gazette Notice No. 190 of 2010 specifically aimed at curbing the incidence of payment on insufficiently funded accounts.

Following consultations with commercial banks, it was decided that while banks would continue with the current practice of penalizing as well as instituting administrative measures on customers that issue Cheques and Direct Debits payment instructions on insufficiently funded accounts, the penalty fees collected would henceforth be channeled to the Zambia Electronic Clearing House Limited (ZECHL).

Accordingly Part II of Section 5 of the Directives has been amended by including sub-section (c) which requires commercial banks to remit penalty fees collected from customers who issue Cheques and Direct Debits on Insufficiently Funded Accounts to ZECHL by the 6th working day of the following month.

Kindly take note that where a commercial bank is unable to collect penalty fees from any customer because such account has insufficient funds or is in overdrawn position, it is expected that such penalty fees will only be remitted to ZECHL collection following the funding of the customer's account.

This amendment is contained in Government Gazette Notice No. 6227 of August 23, 2013. Please take note that the changes take effect on September 1, 2013. Therefore penalty fees collected during the month of September 2013 will be remitted to ZECHL by the 6th working day of the following month i.e. October 2013.

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