



**Bank of Zambia**

**OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS**

BOZ/EXEC/DGO/psd/am

**December 9, 2022**

CB Circular No. : 16/2022

To : All Heads of Commercial Banks, Non-Bank Financial Institutions  
and Payment Service Providers

**DUE DILIGENCE ON ENTITIES PARTNERED WITH OR ENGAGED TO PROVIDE  
PAYMENT SERVICES**

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The above subject matter refers.

As you may be aware, Sections 7 and 12 of the National Payment Systems Act, 2007 requires any person intending to operate a payment system or conduct a payment system business in Zambia to obtain a designation/licence from the Bank of Zambia (BoZ). However, it has been noted that there are entities that are operating or providing the said payment services without designation/licensing BoZ. In this regard, the BoZ held a meeting with the Bankers Association of Zambia (BAZ) and the Payments Association of Zambia (PAYZ), where it was resolved that these entities be given a fixed period to regularize their business operations.

In view of the above, the BoZ is giving these entities that are providing payment services without a license up to March 31, 2023 to submit applications for designation as required by the National Payment Systems Act. After March 31, 2023, all entities operating without a licence will be required to cease operations and appropriate sanctions as provided in the law will be applied.

Going forward, it is our expectation that financial service providers shall conduct adequate due diligence when entering into partnerships related to payment services and verify that such counterparties are in possession of a valid licence/designation certificate. Similar due diligence should be undertaken at account opening stage, for the customers/clients that may appear to be providing or facilitating payment services.

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Failure to comply with the above requirements will attract regulatory sanctions and penalties in line with the National Payment System Act of 2007.

All entities providing payment services are encouraged to contact the Bank of Zambia Director – Payment Systems Department, the BAZ, or the PAYZ for further guidance on this matter and the process to regularise their status.

Kindly be guided accordingly.



**Francis Chipimo (PhD)**  
**DEPUTY GOVERNOR – OPERATIONS**

Cc     Governor  
        Deputy Governor – Administration  
        General Counsel and Bank Secretary  
        Director – Bank Supervision  
        Director – Non-Banks Financial Institutions Supervision  
        Director – Payment Systems