



BANK of ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DGO/ecd/bp

October 23, 2019

CB Circular No. : 09/2019

To : All Heads of Commercial Banks

ELECTRONIC BALANCE OF PAYMENTS MONITORING FRAMEWORK

We refer to the above subject matter.

In line with the Bank of Zambia Amendment Act No. 1 of 2013, the Bank has designed a new framework for monitoring balance of payments (BoP) transactions. This is intended to promote the efficiency of the foreign exchange system as well as improve balance of payments statistics. The new framework is a product of effective cooperation and consultation between commercial banks and the Bank of Zambia (the Bank).

Under this framework, all commercial banks will be required to submit daily cross-border financial transaction reports to the Bank through the electronic monitoring system in a manner prescribed by the Bank. These include payments made to foreign parties by Zambian residents as well as the payments received by Zambian residents from foreign parties irrespective of their value. To this effect, commercial banks should ensure that clients conducting cross-border financial transactions provide accurate and full description of the payments to be made. This includes the **purpose of transaction**, the **sector** of the entity (person transacting), the **taxpayer identification number (TPIN)** as well as the **destination/source country**. Further, respective foreign correspondent banks or financial institutions should be informed of the new legal requirement in respect of money receipts into the country. This means that all cross-border transactions into the country must similarly have this information. Further, corporate entities and individuals engaged in cross-border transactions should provide appropriate supporting documents for the transactions as prescribed in the attached Bank of Zambia Electronic Balance of Payments Monitoring Guidelines (2019).

Since March 30, 2019, most banks have been submitting reports on cross-border financial transactions electronically to the Bank of Zambia on a pilot basis. The pilot phase has generally been successful save for a few and minor technical challenges that have been resolved while other areas continue to be fine-tuned as planned.

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Given the successful pilot implementation of the electronic BoP monitoring framework for over six (6) months, the Bank of Zambia has resolved that full implementation of the electronic BoP monitoring commences on **December 2, 2019**. To this effect, all commercial banks are required to submit to the Bank of Zambia, on a monthly basis, the Money Receipts and Remittances Report (MRRR) by the **6th working day** after the end of the month in which the transactions occurred. Failure to comply with this requirement will attract prescribed penalties as stipulated in the Guidelines. **Further, it is important that this Circular be shared with all your branches to ensure full compliance.**

Should you have any queries, please do not hesitate to contact the Director – Economics at Bank of Zambia.



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DEPUTY GOVERNOR – OPERATIONS