



**BANK Of ZAMBIA**

## **PRESS RELEASE**

### **Revision of Over - the - Counter Forex Transactions**

It has come to the attention of the Bank of Zambia that certain media houses have issued statements on the recently announced over - the - counter cash transaction limits for Bureaux de Change (BDC's) and Commercial Banks which misrepresent the Bank's decision. The Bank of Zambia wishes to state as follows:

#### **1. BUREAUX DE CHANGE**

The Bank of Zambia has adjusted upwards the daily limit for over the counter cash transactions for customers from the current \$1,000.00 to \$5,000.00. This will allow customers to sell or buy forex over the counter up to a maximum limit of \$5,000.00.

#### **2. COMMERCIAL BANKS**

The Bank of Zambia has adjusted upwards the daily limit for over - the - counter cash transactions for commercial bank account holders from \$5,000.00 to \$10,000.00. This will allow customers to sell or buy forex over the counter up to a maximum of \$10,000.00.

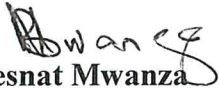
At the same time, non-commercial bank account holders will be allowed to sell or buy forex in the commercial bank up to a maximum limit of \$5,000.00 which is consistent with the limit set for BDCs.

In arriving at the decisions above, the Bank of Zambia held extensive consultations with various stakeholders, including the Association of BDCs. The Bank of Zambia also undertook a regional and international comparative analysis of presently obtaining over - the - counter forex limits in different jurisdictions and came to a conclusion that the proposed changes are long overdue and appropriate to ensure smooth operations of over - the - counter forex transactions. It should be noted that these limits were last revised 20 years ago and business dynamics have since changed.

It should also be noted that BDCs rely to a large extent on Commercial Banks to source their daily forex float. The daily maximum limit that they can source is currently set at \$100,000.00. The Bank of Zambia has revised this limit downwards to \$20,000.00. The rationale for the downward revision is that BDCs should now be able to source forex from their customers in light of the upward revision to \$5,000.00 on OTC limits for BDCs in addition to the \$20,000.00 they can source from Commercial Banks.

These decisions will ensure smooth and efficient operations and provide convenience to customers in sourcing and selling of forex. Please note that these measures take effect on June 1, 2021. All other forex transaction rules remain unchanged.

Issued by



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