



BANK OF ZAMBIA  
P.O. Box 30080  
Lusaka 10101  
Zambia

GOVERNOR'S OFFICE  
Tel.: 228888/223307  
Telex: ZA 42999

2 December 1998

C B Circular No. 10/98

To : All Commercial Banks

Dear Sirs


#### INTRODUCTION TO THE EURO

As you may be aware, the Economic and Monetary Union (EMU) is due to start on 1<sup>st</sup> January 1999 and will see the introduction of the new single currency, the Euro, as the legal currency in each participating country. The existing currencies will become "expressions" of the Euro. In practice, the national currencies will still operate side-by-side with the Euro throughout the three-year transition period to 31<sup>st</sup> December 2001. From January 2002, bank notes and coins denominated in Euro will be introduced and old currency notes and coins will be withdrawn, thereby finalising the conversion.

To this effect, the Bank of Zambia would like to advise commercial banks to fully prepare themselves with operating an extra major currency. Although national currencies of the 11 participating European countries will continue to operate for another three years, commercial banks should ensure early familiarisation with the Euro.

Bank of Zambia would like to invite all commercial banks requiring information on the Euro to contact the Financial Markets Department at the Bank of Zambia.

Yours faithfully

  
Dr Jacob M Mwaanga  
GOVERNOR